GOVERNMENT OF INDIA

MINISTRY OF FINANCE

BUDGET FOR 1958-59

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PART I—RAILWAY BUDGET

Speech of Shri JAGJIVAN RAM introducing the Railway Budget for 1958-59 on 17th February, 1958

Sir, I rise to place before the House the Estimates of Receipts and Expenditure of the Indian Railways for the year 1958-59.

Financial Results of 1956-57

2. As usual, I shall deal first with the completed accounts of the previous year. The actual gross traffic receipts were Rs. 347·57 crores against the Revised Estimate of Rs. 350 crores, the shortfall of Rs. 2·43 crores being mainly under the goods traffic. The Ordinary working Expenses, on the other hand, showed an increase of Rs. 4·91 crores, over the Revised Estimate of Rs. 229·03 crores, due partly to heavier expenditure on repairs and maintenance, and partly to unforeseen miscellaneous expenses under the Suspense head. After allowing for other minor variations, the actual net surplus stood at Rs. 20·22 crores against the Revised Estimate of Rs. 26·95 crores. The entire surplus of the year was credited to the Development Fund.

Review of 1957-58—Operation

3. Before I come to the Revised Estimates of the current year, I would like to give the House a broad picture of the operating position on the Railways during the last twelve months. During 1956-57, the first year of the Second Five Year Plan, the total tonnage lifted was 124 million tons against 114 million tons in 1955-56, that is, an increase of 8·8 per cent. In the current year, there has been a further increase in traffic. The wagon loadings of originating traffic have risen by 5·3 per cent. on the Broad Gauge and 9·5 per cent. on the Metre Gauge upto the end of December, 1957. The overall coal loading in the country has increased in the current year by 6 per cent. compared to last year ; in the Bengal and Bihar coalfields an average of 3,680 wagons are being loaded daily showing an increase of 6·5 per cent. Movement of goods traffic *via* break-of-gauge points has shown a substantial increase, being 13·8 per cent. on the broad gauge and 14 per cent. on the metre gauge. There has also been a similar increase in the movement of traffic over difficult routes; for example, an average of 2,050 wagons are moved daily *via* Moghalsarai compared to 1,835 wagons in 1956-57 and 1,700 in 1955-56. Vigorous measures continue to be taken by the Railways to increase the efficiency of operation and better utilisation of rolling stock which have given satisfactory results. This is reflected in the net ton-miles per wagon-day, which is universally accepted as a reliable index of operational efficiency. On the Broad Gauge, the net ton-miles per wagon-day increased from an average of 570 miles in 1956-57 to 630 miles for the period from April 1957 to November, 1957, and on the Metre Gauge from 210 to 228 miles for the same period.

Revised Estimates for 1957-58

4. As a result of the increased traffic handled, it is now expected that the Goods earnings for the current year would go upto Rs. 231 crores, or an increase of Rs. 4·5 crores over the Budget. There has also been some improvement in passenger earnings which are now placed at Rs. 120·90 crores against Rs. 119 crores in the Budget. An increase of Rs. 35 lakhs is expected under Other Coaching Earnings, partly due to increase in the volume of parcels traffic and partly to increase

rates for military traffic which became effective from 1st June, 1957. With an improvement of Rs. 15 lakhs under Sundry Earnings and other minor variations in Suspense, the gross traffic receipts for the current year are now estimated at Rs. 384·40 crores.

5. As against the increase of Rs. 6·50 crores in Receipts, there is, however, an increase of Rs. 15·31 crores in the Ordinary Working Expenses. Out of this, Rs. 4·5 crores representing nearly 29 per cent. of the total increase, is attributable to one factor alone, *viz*. the interim increase in Dearness Allowance, at the rate of Rs. 5 per month recently sanctioned by the Government on the recommendation of the Pay Commission, payable with effect from 1st July, 1957. About Rs. 1½ crores is due to the enhancement of the price of coal since July, 1957. The balance is due chiefly to increases in the repairs and maintenance bill of the Railways, related particularly to track, bridges and safety works, as also, machinery and rolling stock, arising out of the higher level of prices, increased out-turn from the shops and increasing traffic. In the net, the surplus is now expected to be Rs. 21·66 crores only, against the Budget Estimate of Rs. 30·83 crores. This amount will be credited to the Development Fund as originally contemplated.

Budget Estimates for 1958-59

6. I turn now to the Budget Estimates for the year 1958-59. On the basis of the present trend of passenger traffic the estimate under this head has been placed at Rs. 124·73 crores for the next year, an increase of Rs. 3·83 crores over this year's Revised Estimate of Rs. 120·90 crores. The estimate of Other Coaching Earnings has been fixed at Rs. 24·65 crores, involving a reduction of Rs. 60 lakhs over the Revised Estimate of the current year, attributable to the fact that the latter estimate included also the previous year's arrear recovery, at enhanced rates, of hire and haulage charges on postal vehicles. The estimate of Goods Earnings in the Budget year is placed at Rs. 250·50 crores on the basis of the present 12 1/2 per cent. surcharge and the anticipated increase in traffic. It is expected that in the coming year, Railways will be called upon to carry about 12 million tons of additional traffic, raising the total traffic to 145 million tons, against the total Plan provision of 162 million tons. Most of the additional 12 million tons likely to materialise in 1958-59 will be on account of the expansion in the Steel Industry and the additional coal raisings. Sundry Other Earnings are expected to be 20 lakhs more than the Revised Estimate of the current year. Allowing for a decrease of Rs. 15 lakhs in the traffic suspense, the Gross Traffic Receipts are estimated to be Rs. 407·48 crores for the next year.

7. The Ordinary Working Expenses for the Budget year have been estimated at Rs. 268·35 crores, representing an increase of Rs. 9·19 crores over the Revised Estimates of the current year. This increase includes about Rs. 4·4 crores mainly on account of the effect of interim increase in dearness allowance for the full year against nine months in the current year, annual increments to staff and also on account of the increase in staff required to handle the increases in traffic. There is also an increase of Rs. 2·5 crores in repair expenses in consequence of the increased movements and larger out-turn of Rolling Stock from the Workshops after periodical repairs and the balance represents the increase in the coal and other fuel bill.

8. Since the fuel bill constitutes a high proportion of our total operating expenses, and as the need for conservation of high grade coals is of great importance in the national economy, I have set up a small Committee including representatives of the Ministries of Railways and Steel, Mines & Fuel, and of the Council of Industrial and Scientific Research to go into the question of the factors responsible for the increase in expenditure on coal, as also the future requirements of railways for high grade coal, the prospects of adequate supplies and measures for meeting any anticipated shortage. The Committee is expected to submit its report towards the end of April this year.

9. It is proposed to spend about Rs. 3½ crores more on a larger programme of Open Line Works chargeable to Revenue, and with the heavier Capital expenditure on Works, there is an increase of about Rs. 5 crores in the dividend payable to General Finance. Taking all these factors into account, the Revenue Surplus for the Budget year is expected to be Rs. 27·34 crores, which I propose to credit to the Development Fund.

10. The House will recollect, that in my speech introducing the Railway Budget in May last, I referred to the difficulty in the availablity of critical materials, especially iron and steel, and mentioned that a serious situation had developed owing to a very big shortfall in the actual supply of these materials in 1956-57, the first year of the present Plan. I am glad to be able to report that the steps envisaged last year for improving the procurement of these materials were fully implemented and have yielded satisfactory results. The procurement of specialised Railway items of steel materials was taken over by the Railway Ministry from the Ministry of Steel with effect from 1st April, 1957, and a Railway Purchase Mission was sent abroad in the summer of last year with a view to locating dependable sources of supply, placing orders and finalising the contracts on the spot, so that the deliveries could commence in the shortest possible time. The Mission entered into contracts for the supply of 5·30 lakh tons of pig iron, steel track materials and wagon plates worth about Rs. 34 crores. Deliveries against these contracts commenced from September, 1957 onwards and are likely to be completed during 1958-59. As a result, it is expected that including indigenous production, 5 lakh tons of steel track materials will be recieved during the current year as against 3·5 lakh tons in the previous year. With the procurement arrangements already made and to be made, the expectation is, that the receipts of these materials in the Budget year will be even better than those of the current year. While this is no doubt a great improvement, the availability of fabricated bridge girders and signalling equipments is still not quite satisfactory. However, all necessary measures are being taken to improve the supply position of these materials also.

11. I am glad to mention to the House that the improvement in the supply of materials is already reflected in the increased tempo of Works expenditure in the current year. Speaking generally, all the works included in the current year's programme have been in full swing, with nearly 1½ lakh labourers engaged on the various projects on all Railways during the year. I would mention particularly that the 52 mile long Bhilai-Dhalli-Rajhara line, which was undertaken to carry ore to the Bhilai Steel Plant, and which involved earth-work amounting to 11 crores cubic feet has been completed in one working season. 140 miles of new lines and 13 miles of doubling were opened to traffic during the year, including the Khandwa-Takkal and Hingoli-Kanhergaon sections of the Khandwa-Hingoli Project, the Kottayam-Quilon section of the Quilon-Earnakulam project and the Raniwara-Bhildi rail link. The construction of over 500 miles of new lines is in progress. Work is also proceeding on 800 miles of doubling of which 385 miles are on the South-Eastern, 115 miles on the Southern, 135 miles on the Western, 100 miles on the Northern and 45 miles on the Central Railways. The work on the Ganga Bridge at Mokameh is also proceeding according to schedule, all substructure work having been completed and two spans erected already. Some of the Rolling Stock items and Machinery have also been or are likely to be delivered earlier than anticipated at the time of the Budget. In consequence, the Revised Estimates of expenditure on Works, Machinery and Rolling Stock have now been placed at Rs. 235 crores, involving an increase of Rs. 17 crores over the Budget.

12. The estimate for the Works, Machinery and Rolling Stock Programme for the budget year has been placed at Rs. 260 crores. Of this, rolling stock accounts for Rs. 88 crores, plant and machinery for Rs 5 crores, construction of new lines and restoration of dismantled lines for Rs. 29 crores, track renewals for Rs.33 crores and other Open Line Works, etc., for about 105 crores. As the House as

aware, the year 1958-59 is going to be an important landmark in the progress of implementation of the Second Five Year Plan. In that year, both the new steel plants at Rourkela and Bhilai are expected to go into production and the existing steel plants also will substantially increase their output. Coal raisings are expected to increase from 43 million tons in the current year to about 47 million tons next year. All the important line capacity works immediately required for steel works and for increased coal production had already been included in the Railways' Works programmes for the current year and the previous year and are now under execution.

13. Two important new lines have been included in the programme of the Budget year, namely, the 100 mile Roberts ganj-Garhwa Road line on the Northern Railway, costing Rs. 17 crores and the 40 miles long Muri-Ranchi connection, costing Rs. 5·9 crores on the Eastern Railway. The former is required as an alternative route from the Barkakana coalfields to North India to reduce the ever increasing pressure *via* Moghalsarai and also for opening up the Rihand Dam area in Uttar Pradesh. The second is actually a part of the Chandrapura-Muri Ranchi-Bondamunda Project intended to serve the steel plants at Rourkela and Bhilai. The first phase of this project, the Chandrapura-Muri-Link, is already in progress. The construction of Barabil-Pamposh Gorge siding for the Rourkela Project has just been sanctioned at a cost of Rs. 1·17 crores. Other important new line capacity works provided in the Budget are, 68 miles of doubling between Drug to Kamptee costing Rs. 7·80 crores, doubling of Vizianagram-Gopalapatam Section costing Rs. 3·80 crores and of Anuppur-Katni Section costing Rs. 6·7 crores, all on the South-Eastern Railway. Provision has also been made for the conversion of the Gudivada-Bhimavaram Section of the Southern Railway from metre gauge to broad gauge, costing Rs. 2·25 crores, and doubling of Khagaria-Katareah Section between Katihar and Barauni in North Bihar at a cost of Rs.1·88 crores. All these works are required to increase the respective sectional capacity in different parts of the country to cope with the increased volume of both goods and passenger traffic at the end of the Second Five Year Plan, and the beginning of the Third Plan.

14. The track renewal programme has been considerably stepped up from Rs. 28 crores provided in the Revised Estimates of the current year to Rs. 33 crores in the budget year. This has been possible in view of the improved availability of rails and sleepers.

15. As usual, a provision for about Rs. 3 crores has been made for amenities for Railway users and Rs. 11 crores for staff quarters and staff amenities.

16. In my Budget speech last May, I mentioned that the technical details of electrification of certain sections of railway with 25 KV AC 50 cycles Single Phase were under investigation. These investigations have since been completed and it has been decided to adopt this system not only for the main line sections of the Eastern and South Eastern Railways, but also for the electrification of suburban areas around Calcutta. As this system of electrification is quite new to this country, the French National Railways, who have made considerable advancement in this line, have been appointed as Technical Associates to advise on all technical problems connected with electrification under 25 KV AC system, and also supervise the actual execution of the Projects. The total length of sections included in the Budget for electrification under this system is 1,062 miles, with an anticipated cost of about Rs. 75 crores. Obviously, all these sections cannot be executed simultaneously with the same speed. The sections which will be given the highest priority in execution, are those which will have to cope with the increased traffic when the steel and coal output reaches the targets envisaged in the Plan. These are from Howrah to Moghalsarai on the Eastern Railway and from Asansol to Tatanagar and Rourkela and Rajkharswan to Barajamda on the South Eastern Railway. Orders for the first batch of 110 AC locomotives have been already placed and tenders invited for the

supply, erection and commissioning of overhead equipment for these sections It is expected that the electrification of these important trunk routes will be completed before the end of the Second Five Year Plan, well in time, before the full load of traffic devolves on them. The total expenditure likely to be incurred in 1958-59 for all Electrification Projects provided in the Budget, is Rs. 16·29 crores.

The work of elctrification of Madras-Egmore-Tambaram-Villupuram section had to be slowed on account of the difficulty experienced by the Madras Electricity Grid Authorities to import steel towers for transmission lines required for power supply to this section for want of foreign exchange. The Grid Authorities have recently indicated that they are in a position to meet the Railways' demand for electrification of this section. However, they have stipulated that the set up of unbalance and harmonics on the supply system due to single phase traction load, should be maintained within the limits acceptable to them. The work on this section will now be progressed on AC Single phase system after study of the effects of unbalance and harmonics, etc. In the meantime the other works such as removal of infringements, re-spacing of track, etc., are being carried out.

Extension of electrification on the Bombay-Delhi main line from Igatpuri to Bhusawal over the busy ghat section has become an operating necessity, but there are difficulties to obtain power supply immediately. In the meantime, the Civil engineering portion of the work to ease infringements, re-space tracks, obtain additional clearances, etc., which take a long time to complete under busy traffic conditions, will be taken in hand.

17. Nearly 1,600 miles of Surveys, out of 2,500 miles in progress at the commencement of the year, have been completed, including Guna-Ujjain, Satna-Rewa-Govindgarh, Hindumalkote-Sri Ganganagar, Dongarpur-Ratlam, Bhavnagar-Tarapur, Jhund-Malia-Jamnagar and Bhaili-Bhadran-Sojitra-Dholka on the Western Railway, Damodar-Kalipahari, Chandrapura-Muri-Ranchi-Bondamunda and Bakhtiarpur-Rajgir on the Eastern Railway, Pehowa-Kurukshetra and Robertsganj-Garhwa Road on the Northern Railway, Rampur-Haldwani on the Northeastern Railway, Pandu-Amjanga on the Northeast Frontier Railway, Bangalore-Salem, Tellicherry-Coorg-Mysore on the Southern Railway and Champa-Korba-extension on the Southeastern Railway. Survey Reports on Guna-Ujjain, Damodar-Kalipahari, Chandrapura-Muri-Ranchi-Bondamunda, Pehowa-Kurukshetra and Bangalore-Salem have been received and others are in the course of preparation. Surveys for 90 miles were sanctioned during the year, namely, for Domohani-Alipur Duar on the Northeast Frontier Railway, Ghaziabad-Tughlakabad line on the Northern Railway and Kathara branch in the Bokaro coalfields on the Eastern Railway. As I mentioned during the last Budget debates, limitation of funds has reduced the prospects of undertaking any new lines, other than those already approved by the Planning Commission and it is not therefore proposed to undertake more new surveys, when all resources and efforts are urgently required for other engineering works in hand.

18. As the House is aware, we succeeded in obtaining a loan of 90 million dollars equivalent to Rs. 42·84 crores from the World Bank last year. The loan became effective in September, 1957. More than half of this amount has already been utilised and the balance is expected to be used up in the next few months as more payment obligations mature. Apart from this loan from the World Bank, assistance has also been received under the Indo-American Technical Co-operation Programme and the Colombo Plan. Realising, however, the seriousness of the country's foreign exchange position, the railways are making every effort to reduce the dependence on imports from abroad to the maximum extent possible.

19. Turning now to other aspects of Railway Administration and Operation, I would first invite the attention of the House to the decision announced some time back to bifurcate the Northeastern Railway and to create a new Railway

Administration with headquarters at Pandu. The Northeast Frontier Railway with a mileage of about 2,000 was inaugurated on the 15th of last month. The creation of this new Zonal Railway Administration, though small in size compared to other units, has been necessitated by manifold considerations—strategic, administrative and operational. It is of vital importance that there should be a dependable, continuous and all-weather line of communication between the Eastern Frontier and the rest of India. Besides, there is also the urgent need to augment rail transport capacity for economic expansion and industrial development of this area. It was, therefore, considered imperative to set up at Pandu a full-fledged administrative machinery to be in close touch with the day-to-day railway operation and competent to deal with the immediate as well as long term problems.

20. To improve the line of communication, measures are already on hand to strengthen all weak bridges and regrade steep sections on the Assam rail route under an experienced officer especially appointed for this purpose. As the House is aware, there was no serious breach in the link route and no hold-up of traffic during the monsoon of 1957. Works at site are going ahead and an allotment of Rs. 3·5 crores has been sanctioned for this purpose. Most of the major works will be completed before the next monsoon and the remaining works will be all completed during the working season of 1958-59. An engineering survey is being carried out for an altenative alignment from Domohani to Alipur Duar or Cooch Behar, reconnoitering at the same time the possibility of crossing over the Teesta river to join with the Siliguri-Haldibari branch. The preliminary measures for the construction of a bridge over the Brahmaputra near Pandu have sufficiently advanced and the work is expected to commence in the next working season.

21. Regarding the question of indigenous production of railway equipment, I am happy to be able to say that capacity for production of rolling stock in the country has shown a further increase during the current year. 258 locos, 1,500 coaches and 16,800 wagons are expected to be produced in 1957-58 as compared to 234 locos, 1,236 coaches and 15,985 wagons in the previous year. The import of general service wagons was discontinued quite a long time ago and that of steam locomotives has also now been stopped, except for a few required for the Narrow gauge lines. The Development Cell in the Board's Office working in collaboration with the Development Wing of the Commerce and Industry Ministry is making continued progress towards development of further manufacturing capacity in the country which will in turn, conserve the much-needed foreign exchange. Out of the total provision of Rs. 87·95 crores for Rolling Stock in the Budget for 1958-59, Rs. 60·17 crores will be spent in the country and Rs. 27·78 crores only will be spent on imports from abroad, including customs, freight, handling charges, etc.

The Chittaranjan Locomotive Works produced 156 locos in 1956-57 and are expected to produce 168 locomotives in this year and an equal number in the next. Telco Works delivered 78 locomotives in the last year against which the number expected in the current year and the next year is 90 and 100 respectively. The output of the Integral Coach Factory at Perambur, which was 88 unfurnished coaches in 1956-57, is expected to rise to 180 this year and 295 next year. Full production of 350 coaches under single shift working is expected to be achieved in the year 1959-60. For intensive utilisation of the Plant and reducing the cost of production, it is proposed to introduce double shift working from 1st April 1959, resulting in the production of 180 more coaches by the end of the Second Plan period. A temporary furnishing unit is already functioning at the factory and work on a permanent furnishing unit at a cost of Rs. 3·69 crores has also been taken in hand.

22. The programme for the provision of passenger amenities which is broadly directed towards the provision of basic minimum amenities at all stations, irrespective of size, has been carried on steadily during the last few years, and it is

proposed in spite of other pressing demands on our limited financial resources to continue with this programme, consistently with economy in the use of cement, iron and steel which are in short supply. Arrangements for the advance booking of sea s for the III Class passengers have recently been extended and railway reservations are being arranged on all mail, express and Janata trains not only from the starting stations but also from selected intermediate stations. An experiment is also being tried out for providing separate accommodation on one pair of long distance Janata trains on each Railway for passengers travelling upto 150 miles, 300 miles, 500 miles and over 500 miles, the passenger tickets and carriages for these zones being distinctly marked to facilitate identification. Public reaction to this experiment will be ascertained by deputing special staff to travel on such trains and report on the actual working of the arrangements. Six coaches with a two-tier arrangement for sleeping berths are on trial in addition to the three-tier sleeper coaches already in service. A new design of three-tier sleeping berths has also been evolved. The relative advantages of all these types of coaches as well as military sleeper cars, which had also been suggested for consideration, are being assessed, preparatory to constructing more III Class sleeper-*cum*-sitting coaches and extending the facilities to more trains.

23. I am aware that the problem of overcrowding is still far from being solved. As I have explained on previous occasions the difficulties confronting the Railways in eliminating overcrowding are the limited financial and material resources available, the limited capacity for building coaching stock, the acute shortage of line capacity *vis-a-vis* the increased demands for goods and passenger transport and the necessity in the larger interests of the country's economy, of meeting goods transport requirements adequately before diverting available capacity or resources to relieving overcrowding. I am afraid these difficulties still continue to be as formidable as ever. Whatever palliative measures are possible to reduce overcrowding in the areas in which it is most acute, are, however, being taken and considerable thought has been devoted to improvements possible within the existing limitations, such as, putting III Class coaches on trains in place of air-conditioned coaches and dining cars on sections where circumstances justify such a course and increasing the number of coaches on trains, where possible, even at some sacrifice of speed. New passenger trains have also been introduced, 119 on the Broad Gauge and 43 on the Metre Gauge in 1956-57 and 118 on the Broad Gauge and 27 on the Metre Gauge during the current financial year upto 1st December, 1957. The run of 55 Broad Gauge trains and 42 Metre Gauge trains was extended in 1956-57 and of 32 more Broad Gauge trains and 36 more Metre Gauge trains in the current year. With all these new trains and extensions, the daily train mileage has increased by about 23,000 miles. The De Luxe train service between New Delhi on the one hand and Howrah, Bombay and Madras on the other has now been operating for over a year. In view of the low occupation ratio of III Class air-conditioned accommodation, particularly during the cold weather, it has been decided to replace one or more such coaches by ordinary III Class stock within the hauling capacity of the locomotives at the prescribed speeds.

There has been considerable improvement in the suburban passenger services also. 65 new trains were introduced and the run of 33 extended in 1956-57 and in the current year 86 new trains have been introduced and the run of 16 trains extended upto 1st December, 1957.

24. The scheme for the introduction of departmental catering at selected stations has been implemented, and the process of its consolidation at these stations is continuing. I have no doubt that, by and large, departmental catering has been well received by the public.

25. The Railway Users' Consultative Committees constituted at different levels continued to render valuable co-operation and assistance to the Railway Administrations in their endeavour to improve the quality and efficiency of the

service rendered. Auxiliary Committees like the Time Table Committee, the Catering Supervisory Committee and the Bookstall Committee have also contributed many valuable suggestions in their respective spheres. In order to extend the field of liaison with the Railway users, it has recently been decided to set up Divisional Railway Users' Consultative Committees on each Division of the Railways organised on the Divisional system, instead of one Committee for two or three Divisions together.

26. It is a matter of great regret that, in spite of educative propaganda against the misuse of the alarm chain apparatus as well as measures like the blanking off of the apparatus on certain trains, and intensive checks by selected staff in collaboration with the police, the number of cases of alarm chain pulling still continues to be very high. During the last twelve months, the number was as high as 40,000 of which only less than one tenth could be in circumstances in which the use of the apparatus was justified. I would request the co-operation of the House in awakening public conscience against this mal-practice, which aggravates the difficulties of limited capacity for moving traffic, not to mention the immediate inconvenience to other users of the Railway.

I must here again bring to notice that ticketless travelling is another evil which cannot be effectively checked without strong public support. In order to obtain an independent assessment of the extent of ticketless travelling in different areas, an intensive check on all Railways was carried out during the period January to August, 1957 by a temporary organisation set up under the direct control of the Railway Board. On the results of this investigation, an intensification of check on badly affected sections has been ordered.

27. The problem of corruption on the Railways is being tackled vigorously The Vigilance Organisation has been placed under a Director of the Railway Board and a Central Investigation Agency has also been organised for the investigation of important cases of corruption on the Railways. The Vigilance Organisations on the Railways have expanded their activities during the year, the emphasis being on prevention besides covering promptly all complaints of corruption. A total of 3,518 cases were examined on all the Railways and after due enquiry, appropriate disciplinary action was taken against the staff found at fault. All information is sifted and verified and specific complaints are followed up. This has gone a long way in improving public confidence and relations. Measures, like special watchers at important stations, raids for locating corrupt practices and watching of placement and delivery of wagons have been intensified.

It is heartening that the public are offering greater cooperation to the Administration in rooting out this evil. Here again, it is, in the ultimate analysis, the awakening of the social conscience of the Users as well as the Railwaymen that can effectively liquidate corruption.

With the passing of the Railway Protection Force Act, statutory status has now been accorded to the Railway Protection Force, and armed with the powers conferred by the Act, it should enable them to be more effective.

28. Claims for compensation for goods lost or damaged, which during the past few years had been showing a persistent tendency to increase in numbers, appear to be now on the decline. In spite of the increase in the volume of traffic carried by the Railways under conditions of near saturation, there has been a reduction of nearly 13,500 in the number of fresh claims registered during the first eight months of this year, as compared to the corresponding period of the previous year. This change in the trend indicates that the activities of the Claims Prevention Organisation created in 1955 and the re-organisation of the Railway Protection Force are bearing fruit. The balance of claims pending disposal, which

stood at 73,162 at the end of March, 1956 came down to 56,891 at the end of March, 1957, and was only 47,647 at the end of November, 1957.

29. In my last Budget Speech, I stated that a complete examination of the recommendations of the Railway Freight Structure Enquiry Committee and the preparatory work like the amendment of the Goods Tariff and the preparation of mileage tables, etc. would be completed by the end of the year 1957.

Since then, the examination of the recommendations of the Committee in regard to the constitution, jurisdiction and rules of procedure of the Railway Rates Tribunal has been completed and necessary legislation passed to amend the Indian Railways Act. Based on the recommendations of the Committee, the important changes made in the Act are :

(i) that the Tribunal, instead of consisting of three members, all of whom have been or are qualified to be High Court Judges, will consist of a Chairman who is or has been a High Court or Supreme Court Judge and two other members who have special knowledge of commercial, industrial or economic conditions of the country or of the commercial working of the railways ; and

(ii) that in matters pertaining to classification or reclassification of any commodity, the Tribunal will have only advisory functions.

The examination of the Committee's recommendation for the amendment of the statutory provisions regarding the responsibility of railways as carriers is in hand, but it will take some time more to be completed. The Committee themselves had recommended that the changes in this regard be implemented one year after the introduction of the revised freight rates structure.

In regard to the Committee's recommendations pertaining to the revision of the rates structure, the examination is now in the final stages, and decisions thereon are expected to be taken and implemented in the near future.

30. Recently, there have been three serious accidents to trains carrying passengers, resulting in a large number of casualties. The House is already aware that in two of these cases, Commissions of Enquiry presided over by High Court Judges were set up and the third case has been enquired into by the Government Inspector. The report of the Commission in respect of the Bombay-Calcutta Mail accident has been received. The finding of the Commission, which has been accepted by the Government, is that the derailment of the train was the result of a deliberate act of sabotage committed by some person or persons unknown.

The occurrence of these accidents in quick succession has been a matter of grave concern to all of us. I had, therefore, recently called a special meeting of the General Managers to discuss with them the whole problem of accidents with a view to initiating effective measures for bringing about an improvement. The discussion confirmed that human failure largely accounts for these accidents. Technical improvements, which can help to mitigate the incidence of human element, are being progressively effected, but a significant improvement can only be expected if all those engaged in the running of railways are fully alive to their duty and responsibility.

The General Managers have been asked to intensify outdoor supervision, to check upon the strict observance of rules for safe working and to impress upon the staff the great responsibility for safety of travel which rests upon them. I would also request the Labour Unions to extend their full co-operation to the Railway Administration in this endeavour.

31. As the House is aware, the Government have appointed a Pay Commission in August, 1957, the main terms of reference being to examine the principles which should govern the structure of emoluments and conditions of service of the Central

Government employees. The Commission have been requested to make their recommendations to the Government as soon as practicable, but in the meanwhile they could consider demands for relief of an interim character and send reports thereon. The Pay Commission have already submitted their recommendation regarding interim relief which, as I have mentioned earlier, has been accepted by Government and implemented.

32. The House will be glad to know that a Pension Scheme has been introduced for all Railway servants. These Railway servants who were in service on 15th November, 1957 or demitted service between 1st April, 1957 and 15th November, 1947 have, however, been given an option to be governed by the existing State Railway Provident Fund Rules or to come over to the Pension Rules. Even after the introduction of the Pension System, staff eligible for pension shall continue to subscribe to the State Railway Provident Fund at the existing rate on a compulsory basis. Such staff will, however, not be eligible for any Government Contribution to State Railway Provident Fund.

33. As mentioned by me during the budget speech in May last year, a committee with Shri Tapase as Chairman was appointed to review the channels of promotion of Class IV staff and connected matters. The Committee have completed their investigations and have recently submitted some of their recommendations, pending finalisation of their report which is due by the end of this month.

34. In my last Budget Speech, I referred to the expansion of medical facilities for the Railwaymen and their families. There were 81 hospitals and 434 dispensaries at the end of 1956-57 and since then 3 hospitals and 11 dispensaries have been added and a further addition of 9 hospitals and 59 dispensaries is planned for the next three years. The number of beds has consequently increased from 3,543 to 3,936 and would ultimately be 5,230. Special attention has been paid to the expansion of facilities for treatment of T. B. In addition to the 646 T. B. beds reserved at the end of 1956-57, 273 more beds have been sanctioned uptill now. It is expected to increase the number of beds to 1,350. A number of chest clinics for providing domicilliary and out-door treatment of T. B. patients and controlling the spread of T.B. have been established. Sanction has also been given for the reimbursement of medical expenses incurred by Rilway employees and members of their families in connection with the treatment of T.B. in recognised sanatoria. The Medical Attendance Rules have been reviewed and certain disabilities attached to Class IV staff have been removed and they have now been placed on a par with other categories of staff.

35. The question of improved housing and other amenities for Railway staff has always been kept in the forefront. Last year, about 10,000 quarters were built and during 1957-58, 16,000 quarters are expected to be built. Provision has also been made for 15,000 quarters in the Budget for the next year. In all, during the Second Plan period 64,500 new quarters will have been constructed. In addition to this, improvements to existing quarters such as structural alterations, electrification, provision of water-borne sewage, etc., have been undertaken on a large scale and will continue to be made in the Budget year also.

36. The House is aware that Railways maintain a large number of Primary, Middle and Secondary Schools and also render financial assistance to non-railway schools which cater primarily to the needs of Railway employees' children. There has been some expansion by way of more classes or higher classes in the existing schools. We have been also anxious to participate in the scheme of the Central Education Ministry for converting High Schools into multi-purpose schools and so far, the High Schools at Kharagpur and Golden Rock, Trichinopoly have been approved for conversion into multi-purpose schools. More schools will be so converted in the future.

I wish to mention to the House that on the inauguration of the Northeast Frontier Railway, the Railway has taken over two privately-managed High Schools, one at Pandu and the other at Alipur Duar with a view to improving the schools and expanding them so as to provide adequate facilities for the education of Railwaymen's children in those places.

In my Budget speech in May last, I referred to the opening of a residential school in each linguistic area to meet the needs of employees, serving outside their linguistic area. Proposals to set up subsidised hostels have been reecived and are under examination including the quantum of subsidy to be given.

The House will recall that in his Budget speech for 1956-57, my predecessor referred to a proposal to award 1,000 scholarships of Rs. 15 to 50 per month for technical education being under consideration. The first lot of these scholarships was sanctioned in 1956-57. The scholarships will be awarded annually and will be available to children of certain categories of Class III employees and all categories of Class IV employees. Of these scholarships, 12½% and 5% have been reserved for children of employees belonging to the Scheduled Castes and Scheduled Tribes respectively

37. The existing facilities for imparting training to the new recruits in the various Railway Services and arranging refresher and promotion courses for the existing staff have been considerably augmented. Basic training centres have been opened in a number of major workshops and Running sheds and further extension in this direction is under consideration. A Signal and Tele-communication school has been set up at Secunderabad for training officers and staff of the Signal Engineering Department.

38. This was another year of fruitful co-operation between Labour and Management. Periodical meetings between the Railway Board and the National Federation of Indian Railwaymen which could not be held for some time past for various reasons, were resumed in July, 1957, and agreements reached on a number of points brought up by the Federation. The *Ad hoc* Tribunal has also resumed its work and is dealing with two out of the five items originally referred to it, agreement between the Railway Board and the Federation having been reached in respect of other items. I expect that it will complete its work shortly.

39. The differences within the National Federation of Indian Railwaymen seemed to have widened and the All India Railwaymens Federation was revived. Simultaneously with its formation, the new Federation also passed a resolution calling for a strike on all Railways in case the various demands put forward by it were not conceded. The main demand was recognition of the new Federation. Government consider that the interests of Railway workers would be best served by having only one Federation of all Railway Unions at the All India level and have, therefore, consistently emphasised the need for unity among railwaymen and appealed to them to have only one Federation. In November last, representatives of the Federations met and it is heartening that they have agreed to implement by the 31st July, 1958 the Unity Agreement made by them in March, 1956. The progress so far made in this direction, I understand, is satisfactory.

40. Before I conclude I would like to record my appreciation of the assistance and co-operation I have received from all Railwaymen. The Second Five Year Plan is a gigantic experiment in national reconstruction and the Railways have to play a crucial role in bringing it to successful fruition. In spite of set-backs here and there, the Railwaymen have as a rule responded well to the call of the nation and have made improvement in Railway Operation. There is, however, no room for complacency and I am sure, that the Railwaymen will continue to keep before them the highest ideals of dedicated service to the country.

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EXPLANATORY MEMORANDUM ON THE RAILWAY BUDGET FOR 1958-59

PART I—REVENUE

Summary of the Financial Results of the working of the Railway undertaking :—

SURPLUS

(In crores of Rupees)

1956-57	**20.22 (Actuals)**
1957-58	**21.66 (Anticipated)**
1958-59	**27.34 (Anticipated)**

Financial Results of the year 1956-57

The actual gross traffic receipts for 1956-57 came to 347·57 crores, a shortfall of 2·43 crores or 0·69 per cent. from the Revised Estimate of 350 crores. The table below shows the details of actual Gross Receipts in juxtaposition with the Revised Estimate for the year and the actuals of the previous year :—

(In crores of Rupees)

	Actuals, 1955-56	Revised Estimate, 1956-57	Actuals, 1956-57
Passenger Earnings			
Upper	12·85	13·00	13·52
Third	94·86	102·50	102·81
Other Coaching Earnings	20·87	21·40	21·09
Goods Earnings	180·28	206·50	203·96
Sundry Other Earnings	6·81	7·35	7·51
TOTAL . .	315·67	350·75	348·89
Suspense	0·62	—0·75	—1·32
Gross Traffic Receipts	316·29	350·00	347·57

It would be observed that the shortfall was mainly in the Goods earnings (2·54 crores) and other Coaching earnings (31 lakhs) while unrealised earnings held under "Suspense" also increased by 57 lakhs. These were, however, offset to some extent by an increase in earnings from Passenger traffic which were 83 lakhs more than the Revised Estimate of 115·50 crores and in Sundry earnings which were 16 lakhs higher.

2. Ordinary Working Expenses (Gross) on the other hand, turned out to be 273·00 crores, an increase of 4·02 crores over the Revised Estimate of 268·98 crores. This increase consisted mainly of 19 lakhs or about half of one per cent.

in Demand No. 4—Administration, of 1·88 crores or a little over two per cent. in Demand No. 5—Repairs and Maintenance, of 14 lakhs or about one fourth of one per cent. in Demand No. 6—Operating Staff, of 59 lakhs or about 3 ¾ per cent. in Demand No. 8—Operation other than staff and fuel and 1·49 crores or 5 ¼ per cent. in Demand No. 9—Miscellaneous Expenses, offset by a decrease of 9 lakhs or one fifth of one per cent. in Demand No. 7—Operation (Fuel) and of 18 lakhs or a little over 2 ¾ per cent. under Demand No. 10—Labour Welfare. The variations under Demand Nos. 4, 6, 7 and 10 were thus minor. The excess under Demand No. 5 was due to he vier expenditure on repairs to bridges and buildings and on workshop and running repairs to rolling stock, as also on electrical maintenance, etc. The variation under Demand No. 8 was mainly under compensation for goods lost or damaged due to settlement of more claims cases, and under clothing and stores and stationery forms and tickets. The excess under Demand No. 9 was mainly due to increase in expenditure charged to Suspense and partly to payments of more gratuities and Special Contribution to Provident Fund due to acceleration in the payment of settlement dues of retired employees. The actuals under the various Demands are compared in the table below with the Revised Estimate :—

(In crores of Rupees)

	Actuals, 1955-56	Revised Estimate, 1956-57	Actuals, 1956-57
Demand No. 4.—Administration	31·56	34·60	34·79
Demand No. 5.—Repairs and Maintenance . .	80·38	86·16	88·04
Demand No. 6.—Operating Staff	49·73	52·66	52·30
Demand No. 7.—Operation (Fuel)	39·00	45·14	45·05
Demand No. 8.—Operation other than Staff and Fuel	14·70	15·72	16·31
Demand No. 9.—Miscellaneous Expenses . .	32·18	28·43	29·92
Demand No. 10.—Labour Welfare	5·31	6·27	6·09
TOTAL . .	252·86	268·98	273·00
Credits or Recoveries	—39·91	—39·95	—39·06
Net . .	212·95	229·03	233·94

Payments to worked lines came to 33 lakhs as against the revised estimate of 31 lakhs. Net Miscellaneous expenditure was, however, 1·10 crores less than the Revised Estimate, the shortfall being mainly in expenditure on Open Line Works chargeable to Revenue.

Net Railway Revenues was 6·26 crores less than the Revised Estimate of 64·64 crores. The dividend to General Revenues rose to 38·16 crores, *i.e.*, 47 lakhs more than the Revised Estimate. The net result of these variations was that the surplus came to 20·22 crores, *i.e.*, a shortfall of 6·73 crores over the Revised Estimate of 26·95 crores. The entire surplus was credited to the Development Fund.

3. The Railway Depreciation Fund, which opened with a balance of 97·92 crores, after a *minus* adjustment of 5·55 crores carried out in 1956-57, representing the difference between the *ad hoc* and the revised balances, received an accretion of 45 crores by way of normal annual appropriation from the Revenues of the Zonal Railways, 63 lakhs for Chittaranjan Locomotive Works and Integral Coach Factory and 3·27 crores as interest on the balances, aggregating to 48·90 crores. Against this there was a withdrawal of 43·68 crores, leaving the closing balance at the end of 1956-57 at 103·14 crores.

The Development Fund which opened with a balance of 12·94 crores after adjustment in 1956-57 of the difference between the *ad hoc* and revised balances, received an appropriation of 20·22 crores from surplus, and 43 lakhs as interest on the balance. With a withdrawal from the fund of 19·84 crores, the closing balance at the end of the year amounted to 13·75 crores.

The Revenue Reserve Fund opened with a balance of 46·55 crores, after adjustment in 1956-57 of the difference between the *ad hoc* and the revised balances. There was no appropriation to or withdrawal from the Fund during 1956-57 and with a credit of 1·52 crores as interest on the balance, the fund closed the year with a balance of 48·07 crores.

4. The principal financial figures for 1956-57 are shown below alongside the Revised Estimate of that year and the actuals of the previous year for comparison :—

(In crores of Rupees)

	Actuals, 1955-56	Revised Estimate, 1956-57	Actuals, 1956-57
Gross Traffic Receipts	316·29	350·00	347·57
Ordinary Working Expenses	212·95	229·03	233·94
Appropriation to Depreciation Reserve Fund	45·00	45·00	45·00
Payment to Worked lines	0·27	0·31	0·33
Net Traffic Receipts	58·07	75·66	68·30
Net Miscellaneous Expenditure	7·73	11·02	9·92
Net Revenue	50·34	64·64	58·38
Dividend to General Revenues	36·12	37·69	38·16
Surplus	14·22	26·95	20·22
Operating Ratio	81·6%	78·4 %	80·3%
Capital-at-Charge	968·98	1067·03	1071·71
Ratio of net revenue to Capital-at-Charge	5·2 %	6·1%	5·4 %

REVISED ESTIMATE 1957-58

TRAFFIC RECEIPTS

5. The Budget Estimate of Gross Traffic Earnings for 1957-58 was placed at 378·50 crores. An increase of about 6·90 crores is now anticipated over the Budget Estimate owing to trends of improvement noticed under all categories of traffic as detailed below :—

The Revised Estimate of Passenger Earnings has been placed at 120·90 crores, an increase of 1·90 crores over the Budget Estimate of 119 crores and of 4·57 crores over the actuals for 1956-57 of 116·33 crores. The increase of nearly 4 per cent. in earnings over last year, is due to an improvement in the lead of passenger traffic rather than in the number of passengers. The Revised Estimate under Other Coaching traffic has been placed at 25·25 crores, or 35 lakhs more than the Budget Estimate, reflecting an improvement in parcels traffic and the revision of the rates for Military Traffic.

Goods Earnings are now estimated at 231·00 crores, 4·50 crores higher than the Budget Estimate of 226·50 crores. This increase is based on the latest trends of traffic which show an improvement over the budgetary anticipations, as also on additional earnings expected as a result of opening of new lines and the completion of doubling of certain sections towards the latter part of the current year. An increase of 15 lakhs has been allowed for under 'Sundry' earnings due to an increase in the earnings from the departmental catering arrangements. Under Traffic Suspense an increase of about 40 lakhs is anticipated.

Taking all these variations into account, the total gross traffic receipts have now been placed at 384·40 crores.

The details of the Revised Estimate for the gross traffic receipts for the current year are compared in the table below with the Budget Estimate for this year and the actuals of the previous year.

(In crores of Rupees)

	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58
Passenger Earnings—			
Upper	13·52	13·75	13·75
Third	102.81	105·25	**107·15**
Other Coaching Earnings	21·09	24·90	**25·25**
Goods Earnings	203·96	226·50	**231·00**
Sundry Other Earnings	7·51	8·10	**8·25**
Total Earnings	348·89	378·50	**385·40**
Suspense	—1·32	—0·60	**—1·00**
Gross Traffic Receipts	347·57	377·90	384·40

WORKING EXPENSES

6. The total budget grant for Ordinary Working Expenses during the current year is 284·45 crores. Against this the Revised Estimate, based on the latest anticipations is placed at 301·02 crores, an increase of 16·57 crores. Of this 5·61 crores is extra expenditure on staff mainly due to the increase in the rate of dearness allowance sanctioned as interim relief with effect from 1st July, 1957 to staff drawing Rs. 300 or less. 4·93 crores is on 'Repairs & Maintenance' mainly for higher expenditure on bridges and track and increase in workshop and running repairs to Rolling Stock, and 3·10 crores more on fuel owing to the increase in the statutory price of coal from 8th July, 1957 and the retrospective increase in sea freight charges. 1·97 crores is on other operating and miscellaneous expenses, as also variations in expenditure charged initially to Suspense. The balance of 96 lakhs is the premium paid in the purchase price for taking over the financial interests of Salem and Tanjore District Boards in certain sections of the Southern Railway. In the Budget the provision for the entire purchase price of 190 lakhs was made under Demand No. 16 and charged to Capital. The allocation to capital head of account of the entire payment, which included an element of premium as well as arrear payment of net earnings on the sections, was not correct and to rectify this mistake, only the Capital cost as on the books is now being charged to Railway Capital (81·19 lakhs under Demand No. 16) ; premium on purchase (96·05 lakhs) is being provided under Demand No. 9 and for arrear payments of net earnings (12·76 lakhs) extra funds are being provided under Demand No. 3.

The net increase in the latest estimates over the original budget is, however, only 15·31 crores, owing to an increase under credits mainly as a result of more clearances from Suspense than anticipated at the time of the Budget.

The details of the increase under 'Working Expenses' during the year, for which supplementary grants are proposed to be presented, are explained below demand-wise.

Demand No. 4—Administration.—The supplementary demand of 1·04 crores is mainly to cover extra provision for post-Budget developments like the payment of the interim relief increase in dearness allowance already referred to (67 lakhs); for the additional funds required on the basis of actual cost since ascertained of redistribution of posts (19 lakhs) for which the budget provision was made on an approximate basis ; for the Assam compensatory allowance sanctioned in September, 1957, with effect from 1st March, 1957 (2 lakhs) ; formation of the Northeast Frontier Railway (4 lakhs) and other variations like the revision of the scale of pay of certain categories, additional staff appointed for review of bridges, some arrear adjustments for the cost of Order Police, etc. (12 lakhs).

Demand No. 5—Repairs and Maintenance.—The increase under this Demand is 6·81 crores, of which 1·88 crores is for the increase in dearness allowance already referred to ; 2·77 crores for additional expenditure under 'Way & Works' mainly in connection with safety measures, including repairs to bridges and track, appointment of patrolmen, etc. ; 1·02 crores for increase in repairs to rolling stock facilitated by increase in the outturn of workshops and more running repairs in sheds for increasing the availability of rolling stock for traffic ; 5 lakhs for reconditioning of Ferry Stock; 51 lakhs under maintenance of electrical services for heavier replacements and repairs of train lighting and other electrical equipment and repairs and rehabilitation of suburban rolling stock ; 17 lakhs under 'Signal & Telecommunication' services mainly for additional maintenance staff and 41 lakhs under 'Other Expenses' mainly for provision of station furniture, purchase of tarpaulins to cover open wagons, etc.

Demand No. 6—Operating Staff.—The increase of 2·20 crores under this Demand is mainly to cover the increase in dearness allowance already referred to (161 lakhs) ; the additional provision actually required for redistribution of posts (39 lakhs) ; 9 lakhs for payment of Assam compensatory allowance and 11

lakhs to cover the subsequent upgrading or revision of scales of pay of certain posts.

Demand No. 7—Operation (Fuel).—The increase of 3·10 crores under this demand is mainly due to an increase of 174 lakhs under cost of coal arising out of the increase in the statutory price of coal from 8th July, 1957; 23 lakhs on account of the levy of Central sales tax on coal with effect from 1st July, 1957 ; 28 lakhs under cost of other fuel for the diesel engines going into service on the Eastern Railway in the latter half of this year ; 62 lakhs under freight and handling charges on fuel, due to the 10 per cent. increase in sea freight rates with retrospective effect from 1st April, 1956 and 23 lakhs for the cost of increased generation of electric current in the Railway Power House at Kalyan to cater for increase in suburban electric train services.

Demand No. 8—Operation other than staff and Fuel.—The increase of 1·00 crores under this Demand covers 58 lakhs more for compensation for goods lost or damaged ; 9 lakhs for the increase in dearness allowance already referred to; 23 lakhs for higher consumption of electricity due to the increase in the number of electrical installations in stations and yards, etc. ; and the balance of 26 lakhs under the other operating expenses, for arrear adjustments and increase in traffic.

Demand No. 9—Miscellaneous Expenses.—Of the increase of 2·07 crores under this Demand, 96 lakhs is for the premium forming part of the purchase price of the financial interests of the Salem and Tanjore District Boards, already referred to ; 72 lakhs for higher debits to 'Suspense' (which are, however, offset by credits outside the demand for clearance) ; 15 lakhs due to increase in expenditure on the expanded departmental catering and 24 lakhs on account of arrear adjustment of the Government contribution to the Provident Fund of temporary staff confirmed with retrospective effect, etc.

Demand No. 10—Labour Welfare.—The increase of 19 lakhs in this demand is mainly to cover the payment of the increase in dearness allowance.

There is no variation in the appropriation to Depreciation Reserve Fund.

Under payments to worked lines, however, there is an increase of about 2 lakhs made up of an increase of 12·76 lakhs for payment of the arrear dividend on the District Board lines in Madras State referred to earlier, offset by savings in payment to other worked lines, details of which appear in the Annexure to Demand No. 3. The table below compares the Revised Estimate for Ordinary Working Expenses of the current year with the Budget, and actuals of the previous year :

(In crores of Rupees)

	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58
Demand No. 4.—Administration	34·79	30·71	**31·75**
Demand No. 5.—Repairs and Maintenance	88·04	93·92	**100·73**
Demand No. 6.—Operation Staff	52·80	59·39	**61·59**
Demand No. 7.—Opeation (Fuel)	45·05	50·76	**53·86**
Demand No. 8.—Operation other than Staff and Fuel	16·31	17·25	**18 41**
Demand No. 9.—Miscellaneous Expenses	29·92	25·24	**27·31**
Demand No. 10.—Labour Welfare	6·09	7·18	**7·37**
Net	273·00	284·45	**301·02**
Credits or Recoveries	—39·06	—40·60	**—41·86**
TOTAL	233·94	243·85	**259·16**
Appropriation to Depreciation Reserve Fund	45·00	45·00	**45·00**
Payments to Worked Lines	0·33	0·33	**0·33**

Miscellaneous Transactions

7. A decrease of 1 lakh is anticipated in Miscellaneous Railway Receipts while Miscellaneous expenditure is estimated at 12 lakhs less than the Budget, made up of a decrease of 10 lakhs on expenditure on Open Line Works chargeable to Revenue and of 2 lakhs under Other Miscellaneous Expenditure.

The table below compares the Revised Estimate for Miscellaneous Transaction with the Budget and the actuals of the previous year :

(In lakhs of rupees)

Receipts	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58
Guarantees recoverable from State Govts. for unremunerative lines	..	1	..
Other receipts from subsidies companies	2	2	**5**
Miscellanoues Railway Receipts	35	13	**10**
TOTAL RECEIPTS	37	16	**15**
Expenditure			
Rebate	..	..	..
Subsidy	7	11	**11**
Land	..	..	**2**
Surveys	37	34	**22**
Miscellaneous Railway Expenditure	1,80	2,10	**2,18**
Open Line Works— Revenue	8,05	11,73	**11,63**
TOTAL EXPENDITURE	10,29	14,28	**14,16**
Net Miscellaneous Expenditure	9,92	14,12	**14,01**

8. *Dividend to General Revenues.*—The Revised Estimate of the Dividend payable to General Revenues is placed at 44·24 crores *i.e.*, 45 lakhs more than the Budget of 43·79 crores, due partly to the increase in the capital at charge over budget anticipations due to less downward adjustment of *ad hoc* balances and partly to the increase in the capital outlay during the current year compared to the budget.

9. The table below shows the principal financial figures for the current year according to the Revised Estimate as compared to the Budget Estimate and also with the actuals of the previous year :

(In crores of rupees)

	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58
TRAFFIC RECEIPTS			
Gross Traffic Receipts	347·57	377·90	**384·40**
WORKING EXPENSES			
Ordinary Working Expenses	233·94	243·85	**259·16**
Appropriation to Depreciation Reserve Fund	45·00	45·00	**45·00**
Payments to Worked Lines	·33	·31	**·33**
TOTAL WORKING EXPENSES	279·27	289·16	**304·49**
Net Traffic Receipts	68·30	88·74	**79·91**
MISCELLANEOUS TRANSACTIONS			
Receipts	·37	·16	**·15**
Expenditure	10·29	14·28	**14·16**
Net Miscellaneous Expenditure	9·92	14·12	**14·01**
Net Railway Revenues	58·38	74·62	**65·90**
Dividend to General Revenues	38·16	43·79	**44·24**
Net gain or surplus	20·22	30·83	**21·66**

SURPLUS AND RESERVES

10. Thus the surplus now expected for the current year is 21·66 crores or 9·17 crores less than the Budget Estimate.

The opening balance in the Development Fund this year was 13·75 crores. Withdrawal from the Fund is expected to be of the order of 25·93 crores, while the appropriation to the fund from the surplus as now estimated, will be 21·66 crores. Including the interest of 0·39 crore on the balance, the Fund is expected to close the year with a balance of 9·87 crores.

The Depreciation Reserve Fund opened with a balance of 103·14 crores. The accretions to the Fund during the year will be 45 crores from Revenue, and 1·26 crores from the Chittaranjan Locomotive Works and the Integral Coach Factory Perambur and 3.27 crores as interest accruing on the balances. With an anticipated withdrawal of 58·95 crores, the balance in the Fund at the end of the year is expected to stand at 93·72 crores, or 9·42 crores less than the opening balance.

The Revenue Reserve Fund which opened with a balance of 48·07 crores will receive an accretion of 1·63 crores by way of interest during the current year. As there will be no withdrawal from the Fund, the closing balance will stand at 49·70 crores at the end of the year.

BUDGET ESTIMATE 1958-59

TRAFFIC RECEIPTS

11. During the ensuing year, on the basis of the present trends, an increase of about 3 per cent. is anticipated in the Passenger traffic compared to the Reserved Estimate of the current year and accordingly the earnings under this head have been placed at 124·73 crores against the Revised Estimate of 120·90 crores. The estimate of earnings from 'Other Coaching' traffic has been placed at about 60 lakhs less than the Revised Estimate for the current year, as the latter includes arrear adjustments on account of the revision with effect from 1st April, 1956 of the hire and haulage charges of the vehicles of the P. & T. Department. The estimate, however, allows for a slight increase due to the full effect of the revision of the rates for Military Traffic and a slight improvement anticipated in parcels traffic.

With the expansion of the Steel Industry, additional coal raising, etc., Goods Traffic is expected to register a significant increase of about 9 per cent. over the current year's figure, although the major portion of the increase in traffic is likely to be in relatively low rated commodities. The effect of the additional supplementary charge of 6¼ per cent. for the full year 1958-59 instead of 9 months in the current year, would also increase the earnings by about 2·7 crores. Taking these factors into consideration it is anticipated that the 'Goods Earnings' in 1958-59 will be of the order of 250·50 crores.

The estimate of Sundry Earnings for the budget year has been placed at about 20 lakhs higher than the revised estimate to allow for a slight increase expected in the earnings from the Catering Department. Allowing for an increase of about 85 lakhs under 'Suspense', the total Gross traffic receipts are expected to be 407·48 crores. The details are compared in the following table with the revised estimate for the current year and the actuals for the previous year.

(In crores of rupees)

	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Passenger Earnings—				
Upper	13·52	13·75	13·75	**14·06**
Third	102·81	105·25	107·15	**110·67**
Other Coaching Earnings	21·09	24·90	25·25	**24·65**
Goods Earnings	203·96	226·50	231·00	**250·50**
Other Sundry Earnings	7·51	8·10	8·25	**8·45**
Total Earnings	348·89	378·50	385·40	**408·33**
Suspense	—1·32	—0·60	—1·00	**—0·85**
Gross Traffic Receipts	347·57	377·90	384·40	**407·48**

WORKING EXPENSES

12. Before dealing with the estimates of Ordinary Working Expenses for the year 1958-59, a reference may be made to two important matters affecting the Budget Estimate. In pursuance of Government's decision to bifurcate the Northeastern Railway into two zones, the new Northeast Frontier Railway was inaugurated on the 15th January, 1958. In the Budget Estimate for 1958-59, the estimates relating to the new zone have been separately indicated under a specific sub-head opened for the purpose in all the relevant demands. The expenditure on the N.F. Railway during the last 2½ months of the current financial year, however is proposed to be met from within the allotment of the Northeastern Railway, suitably augmented to the extent necessary. The revised and budget estimates have, therefore, been prepared on this basis and a mention about the formation of the new zone made in the supplementary Demand No. 4—Administration.

13. The other important item is the introduction of the Pension Scheme for Railway servants with effect from 1st April, 1957.

In pursuance of the decision to extend the Pension Scheme as on the civil, side to railway servants also, proposals were finalised and final orders issued in November, 1957. While those, who enter railway service on or after 16th November, 1957 will compulsorily be brought on to the pension scheme, in respect of the serving employees, however, Government have allowed them an option to be exercised before 31st March, 1958 of either electing the Pension Scheme or retaining their existing membership of the State Railway Provident Fund. Government will have an idea about the number of staff who will be finally opting for the pension scheme, only by the middle of 1958 and in these circumstances, no definite estimate can be framed now either in regard to the actual pensionary disbursements, that might be necessary during the year in respect of the retiring staff opting for pension or the amount of the Government contribution to Provident Fund in respect of the serving employees opting for the Provident Fund Scheme. Another important issue to be settled is the question of adjustment of Provident Fund balances, representing the accumulated Government contribution of the serving employees opting for pension, which would revert to Government. To end of 31st March, 1957 the balances in the State Railway Provident Fund representing the Government Contribution for all railway staff are of the order of Rs 49 crores. As it is likely that a large number of the staff might opt for pension, it is expected, that the amount to be written off from Provident Fund would be sizeable. The question as to how best these balances should be adjusted is under the consideration of the Government in consultation with the Comptroller and Auditor General. Having regard to all these uncertainties, it is proposed to provide only a token sum under Demand No. 9—Miscellaneous expenses under a separate sub-head 'Pensionary Charges' to cover the disbursement of pension that might be made during the budget year in respect of thos opting for pension, and also to transfer to that head, the provision hitherto made under Demand No. 2 for the payment of pension to to existing pensioners and of the railways' share of sterling pension being made to the Finance Ministry in instalments. As regards the Government contribution of Provident Fund, which is also included under Demand No. 9, no appreciable change is proposed to be made in the Budget Estimate, as compared to the Revised estimate of the current year. Necessary adjustments will be carried out at the revised estimate stage, when accurate data would be available regarding the amount to be reduced under that head for those opting for pension.

14. Coming now to the gross Budget Estimate of Ordinary Working Expenses for the year 1958-59, it has been placed at 311·13 crores which is 10·11 crores more than the Revised Estimate for 1957-58. The chief contributory factors for this increase are a provision of 4·39 crores more for staff expenditure covering provision for a full year for the increase in dearness allowance (1·50 crores), the annual increments on the time scales (1·59 crores), and the pay and allowances

of additional staff to cope with the increase in traffic, etc., (1·30 crores); an increase of 2·51 crores under 'Repairs and Maintenance' mainly of Rolling Stock, reflecting an anticipated increase in the repair out-turn of workshops and more expenditure on running repairs with a higher level of traffic, an increase of 3·35 crores under 'Fuel' partly for moving the higher level of traffic both Passenger and Goods, and partly to cover the cost of increased generation of electric current in the Bombay Government Plant taken over early in 1958, and of 82 lakhs under other items, chiefly under 'Suspense', offset by a reduction of 96 lakhs due to non-recurrence of the provision for the premium on the purchase of the financial interests of District Boards in Madras State in certain railway lines. The table below shows the Budget Estimate of Working Expenses for 1958-59 under different demands alongside the Revised Estimate for the current year and the actuals for the previous year.

(In crores of rupees)

	Actuals, 1956-57	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Demand No. 4.—Administration	34·79	31·75	**32·73**
Demand No. 5.—Repairs and Maintenance	88·04	100·73	**104·30**
Demand No. 6.—Operating Staff	52·80	61·59	**63·18**
Demand No. 7.—Operation (Fuel)	45·05	53·86	**57·21**
Demand No. 8.—Operation other than staff & Fuel	16·31	18·41	**18·84**
Demand No. 9.—Misc. Expenses	29·92	27·31	**26·35**
Demand No. 10.—Labour Welfare	6·09	7·37	**7·89**
TOTAL	273·00	301·02	**311·13**
Credits or recoveries	−39·06	−41·86	**−42·78**
TOTAL	233·94	259·16	**268·35**
Appropriation to Depreciation Reserve Fund	45·00	45·00	**45·00**
Payments to Worked Lines	·33	·33	**·22**

The variations under each Demand are explained below :—

Demand No. 4—Administration.—The increase of 98 lakhs in the budget year is due to annual increments (31 lakhs); a full year's provision for the higher dearness allowance (23 lakhs) and for extra staff mostly appointed in the course of 1957-58 (72 lakhs), partly offset by a reduction of 22 lakhs due to the non-recurrence of the arrear payment on the redistribution of posts and 6 lakhs as arrear adjustments for order police charges made in 1957-58.

Demand No. 5—Repairs and Maintenance.—The increase of 3·57 crores in 1958-59 consists of 60 lakhs for a full year's provision for the higher dearness allowance ; 2·44 crores for extra expenditure on the repairs of rolling stock covering both higher workshop out-turn after periodical overhauls and increased running repairs ; 70 lakhs for maintenance of electrical services, mainly on the sections of the Eastern Railway recently electrified, partly offset by a reduction of 17 lakhs due to non-recurrence of provision for tarpaulins, etc.

Demand No. 6—Operating Staff.—The increase of 2·22 crores under this demand comprised 76 lakhs for annual increments on time scales of pay, 55 lakhs for a full year's provision for the higher dearness allowance, and 178 lakhs for a full year's provision for additional staff to cope with the increase in traffic, offset by a reduction of 87 lakhs due to the non-recurrence of arrear payments on account of redistribution of posts and revision of certain scales of pay.

Demand No. 7—Operation (Fuel).—There is an increase of 3·35 crores in 1958-59 of which 11 lakhs is under the cost of coal, due to the increase in consumption of coal for moving the higher level of traffic; 38 lakhs for cost of other fuel owing to a full year's provision for diesel locos on the Eastern Railway ; 84 lakhs mainly for the cost of generation of electricity in Bombay Government Plants purchased early in 1958 (partly offset by higher credits outside the demand) and 22 lakhs on freight, excise duty, sales tax, etc. on the higher receipts of coal.

Demand No. 8—Operation other than Staff and Fuel.—The increase of 43 lakhs under this demand includes an increase of 15 lakhs on account of payment of commission at out-agencies (which is being charged to 'Working Expenses' with effect from 1958-59 instead of being treated as refund of earnings as in the previous year), 16 lakhs for increased consumption of electric energy due to the expansion of colonies, yards etc. ; 6 lakhs extra on the payment of compensation claims and 6 lakhs under various other operational heads including provision for payment of the higher dearness allowance for a full year.

Demand No. 9—Miscellaneous Expenses.—There is a decrease of 96 lakhs under this Demand owing mainly to the non-recurrence in the Budget year of the provision of 96 lakhs made in 1957-58 for payment of premium on the purchase of the financial interests of District Boards of Salem and Tanjore in certain sections of the Southern Railway, less provision for compensation arising from Railway accidents by 18 lakhs and less provision under contribution to Provident Fund by 76 lakhs due mainly to the non-recurrence of arrear adjustments of Government contribution in favour of staff confirmed retrospectively, offset by an increase of 49 lakhs mainly under debits to Revenue Suspense, provision of 14 lakhs, for pensionary charges hither to made under Demand No. 2 now being transferred to this Demand and a token provision of Rs. 1,000 for staff opting for new Pension Scheme, *plus* other minor increases of 31 lakhs.

Demand No. 10—Labour Welfare.—There is an increase of 52 lakhs in 1958-59, of which 20 lakhs is under the Medical Department due to an increase in the number of T.B. beds and in expenditure on drugs due to liberalisation and extension of medical facilities ; 17 lakhs under Health and Welfare Services to cover additional staff and sanitary stores owing to expansion of sanitary services ; 16 lakhs under education as provision for a large number of trainees and expansion of training facilities for a full year ; partly offset by a reduction of 1 lakh under canteens and other staff amenities.

MISCELLANEOUS TRANSACTIONS

15. The net result of Miscellaneous transactions for the budget year is expected to be a net expenditure of 16·99 crores made up of receipts of 12 lakhs and expenditure of 17·11 crores under the heads shown in the table below :—

(In lakhs of rupees)

	Actuals, 1956-57	Revised Estimate, 1957-58	Budget Estimate, 1958-59
RECEIPTS			
Guarantees recoverable from State Govts. for unremunerative lines	..	..	..
Other receipts from subsidised companies . .	2	5	3
Miscellaneous Rly. Receipts	35	10	9
TOTAL RECEIPTS . .	37	15	2

(In lakhs of rupees)

	Actuals, 1956-57	Revised Estimate, 1957-51	Budget Estimate, 1958-59
EXPENDITURE			
Rebate	..	..	..
Subsidy	7	11	8
Land	..	2	..
Surveys	37	22	..
Miscellaneous Railway Expenditure	1,80	2,18	2,12
Open Line Works—Revenue	8,05	11,63	14,91
TOTAL—EXPENDITURE	10,29	14,16	17,11
Net Miscellaneous Expenditure	9,92	14,01	16,99

There is a decrease of 3 lakhs under Miscellaneous receipts. The increase of 2·95 crores under Miscellaneous expenditure is chiefly under Open Line work chargeable to Revenue which is higher by 3·28 crores on account of heavier work programme, offset by a decrease of 33 lakhs under other Miscellaneous expenditure, mainly under 'Surveys' and smaller decreases in the expenditure under Other Miscellaneous Establishments.

16. *Dividend to General Revenues.*—The estimate of Dividend to General Revenues is placed at 49·58 crores, taking into account the estimated capital outlay during 1958-59 of 139 crores. (Deferred dividend on the capital of 23·64 crores laid out on new lines since 1st April, 1955 comes to 1·24 crores upto the end of 1958-59).

17. The following table summarises the anticipated financial results of tho budget year in juxta-position with the revised estimate of the current year and the actuals for the previous year.

(In crores of rupees)

	Actuals, 1956-57	Revised Estimate, 1957-58	Budget Estimate, 1958-59
TRAFFIC RECEIPTS			
Gross Traffic Receipts	347·57	384·40	407·48
WORKING EXPENSES			
Ordinary Working Expenses	233·94	259·16	268.35
Appropriation to Depreciation Reserve Fund	45·00	45·00	45·00
Payments to worked lines	·33	·33	·22
TOTAL—WORKING EXPENSES	279·27	304·49	313·57
Net Traffic Receipts	68·30	79·91	93·91
MISCELLANEOUS TRANSACTIONS			
Receipts	·37	·15	·12
Expenditure	10·29	14·16	17·11
NET MISC. EXPENDITURE	9·92	14·01	16·99
Net Railway Revenues	58·38	65·90	76·92
Dividend to General Revenues	38·16	44·24	49·58
Net Gain or surplus	20·22	21·66	27·34

SURPLUS AND RESERVES

18. The estimated surplus of 27·34 crores is proposed to be credited to the Development Fund.

Withdrawal from the Development Fund in the Budget year will be of the order of 36·70 crores against the credit of 27·34 crores from surplus and 17 lakhs on account of interest accruing on the balance in the fund. The fund is expected to close the year with a balance of 68 lakhs only, against the balance of 9·87 crores at the beginning of the year.

The Depreciation Reserve Fund, which is expected to open with a balance of 93·72 crores, will receive a credit of 45 crores from Revenue, 82 lakhs from the Chittaranjan Locomotive Works and Integral Coach Factory and earn an interest of 2·77 crores. The withdrawals during the year are estimated at 69·55 crores, and the Fund is likely to close with a balance of 72·76 crores at the end of the year.

With the addition of interest of 1·68 crores accruing on the balance during the year, the Revenue Reserve Fund is expected to close with a balance of 51·37 crores at the end of 1958-59.

A detailed year-wise account of the three funds is given in Appendices VIII to X to this Memorandum.

EXPENDITURE ON THE WORKS, MACHINERY AND ROLLING STOCK PROGRAMME OF RAILWAYS

Actuals 1956-57

19. The Works, Machinery and Rolling Stock Programme for 1956-57 was budgeted for an outlay of 193 crores. The actuals, however, came to 179 crores thus resulting in a shortfall of 14 crores. The shortfall was mainly under Structural Works due to the failure of supplies of construction materials like permanent way, sleepers, structural steel, cement, etc.

Revised Estimate 1957-58

20. The Programme for the current yeat for Rolling Stock, Machinery, Works, New Lines, Electrification Projects, etc., envisaged an expenditure of 218 crores in all. Rolling Stock and Machinery, for which 82·59 crores and 5·61 crores respectively were provided in the Budget, are now likely to require a provision of 90·90 crores and 4·71 crores respectively, that is, a net increase of 7·41 crores. The increase on Rolling Stock is due to indigenous production outstepping the provision, particularly of coaches in the Integral Coach Factory and of wagons by the wagon builders. The decrease on Machinery and Plant is based on the latest expectations of delivery. The Revised Estimate of Expenditure on Works, taking New Construction and Open Line Works together is, 120·23 crores against 124·50 crores in the Budget . The shortfall is mainly in Open Line Works and is due to non-availability of certain materials like bridge girders and signalling and interlocking materials. There is an increase, however, in the expenditure on new constructions mainly due to the electrification of certain additional sections on the Eastern and Southeastern Railways being undertaken in the course of the year, though not contemplated at the time of the Budget Estimate and higher expenditure on the Calcutta Electrification Project already in progress. The additional sections included are from Gomoh to Moghalsarai on the Eastern Railway and the Asansol-Rourkela-Tatanagar and Rajkharaswan-Barajamda sections on the Southeastern Railway.

Due to the efforts of the Indian Railway Steel Purchase Mission the position of steel supply, particularly track materials, has improved substantially and this has resulted in an increase in the expenditure on Track Renewals and under Stores and Miscellaneous Advances Suspense balances by 11·64 crores. Taking all these variations into account, the Revised Estimate for Works, Machinery and Rolling Stock expenditure has now been placed at 235 crores against the net Budget Grant of 218 crores.

The distribution of this amount over the broad categories of expenditure is given below:

(In lakhs of rupees)

Detailed Heads	Budget, 1957-58	Revised, 1957-58
1. Rolling Stock	90,50	90,90
2. Machinery and Plant	6,07	4,71
3. Track Renewals	26,42	28,62
4. Bridge Works	3,14	1,97
5. Ganga Bridge	2,31	2,31
6. Traffic Facilities	40,78	30,60
7. Signalling and Interlocking Works, etc.	5,52	3,03
8. Workshops excluding those provided as part of electrification projects	9,63	6,23
9. Electrification (Electric Traction)	9,96	15,35
10. Staff Quarters	7,60	8,45
11. Amenities for Staff	3,17	2,57
12. Passenger and Other Railway Users' Amenities	2,98	2,68
13. New Lines excluding electrification projects & Ganga Bridge project	12,50	11,99
14. Restoration of dismantled lines	66	36
15. Other Structural Works	11,90	6,06
16. Purchase of Railway Lines	2,08	1,09
17. Investment in Road Services	2,50	1,39
18. Increase or decrease in balances under—		
(a) Stores Suspense	12,77	18,24
(b) Manufacture Suspense	—1,85	—1,00
(c) Miscellaneous Advances	—14	5,18
19. Credits or Recoveries—		
(a) Credits for released materials	—4,90	—4,89
(b) Other credits	—91	—87
TOTAL	242,69	234,97
Probable Savings	—24,69	..
Net	218,00	234,97

The variations from the Budget Grant (the grant actually voted) after making the cut for probable savings and excluding credits or recoveries, taken outside the grant, are explained below demand-wise.

Demand No. 13—*Open Line Works (Revenue)—Labour Welfare.*—There is an increase of 41·67 lakhs over the Budget Grant of 103·33 lakhs, due to the improved availability of building materials and accelerated progress in the construction of staff quarters and provision of staff amenities.

Demand No. 14—*Open Line Works (Revenue)—Other than Labour Welfare.*—There is a shortfall of 50 lakhs under this Demand on the Budget Grant of 10·69 crores mainly due to shortage of signalling and inter-locking materials, etc.

Demand No. 15—*Construction of New Lines.*—There is an excess of 2·20 crores over the Budget Grant of 18·13 crores under this Demand. This is mainly attributable to the inclusion of additional sections on the Eastern and Southeastern Railways for electrification to cater to the Steel Projects and the anticipated increase in coal traffic, and the advance payment (181·86 lakhs) made for electric locos ordered abroad for these sections. There is also an increase in the expenditure on overhead equipment and track structures (92·58 lakhs) required for the Calcutta Electrification Project due to the quantities of track structures having been finalised only after presentation of Budget Estimate. Additional provision is also required for speeding up the progress of new lines such as, Noamundi to Banspani, etc. (75·40 lakhs).

Provision has also been included for the cost of preliminary arrangements for the Brahmaputra Bridge Project which is to be taken up during the 1958-59 working season.

The above excess has been partly counterbalanced by less expenditure on certain other lines like the Broad Gauge line for the area formerly served by the Baraset Basirhat Light Railway, and coalfield lines on the Eastern Railway, the Barhan-Etah construction and the Rohtak-Gohana restoration on the Northern Railway, and the Tambaram-Villupuram electrification on the Southern Railway, due to various reasons such as delay in the acquisition of land, the use of cheaper second hand instead of new permanent way materials, foreign exchange difficulties, etc.

Demand No. 16—*Open Line Works—Additions.*—There is an excess of 6·47 crores over the net Grant of 97·62 crores under this Demand. The grant included provision for an expenditure of 60·88 crores on Rolling Stock, 2·03 crores on Plant and Machinery and 23·60 crores on Structural Works. The Revised Estimate shows an increase of 4·36 crores on Rolling Stock, and a reduction of 29 lakhs under Machinery and Plant and 11·36 crores under Structural Works.

The increase under Rolling Stock is due to the growth of indigenous production, particularly of the Integral Coach Factory and by the wagon building firms and better delivery prospects of imported rolling stock.

The shortfall in Machinery is based on the latest anticipations of delivery. The decrease under structural works is mainly due to the transfer from this Demand to Demand No. 17 due to change in allocation of the provision for the Rourkela-Drug doubling (6·00 crores) and for the purchase of Bombay Government's Plant in the Chola Power House on the Central Railway (3·30 crores) and the slower progress on certain structural engineering works than was anticipated (2·06 crores).

There is an increase of 5·32 crores under Suspense Miscellaneous Advances due to payments made for certain purchases by the Indian Railway Steel Purchase

Mission during the current year on shipments which will actually be received early in the next financial year and the cost of pig iron received being kept in Suspense for the time being pending its fabrication into sleepers. There has also been a substantial increase under Stores Suspense due to increase in stocks following the improved supply position.

Demand No. 17—Open Line Works—Replacements.—The Revised Estimate under this Demand exceeds the Budget grant of 63·96 crores by 14·62 crores This increase is mainly due to the transfer of provision to this demand from Demand No. 16 for the Rourkela-Drug Doubling (5·32 crores) and to the transfer of 3·30 crores together with an additional provision of 1·35 crores, to cover the entire purchase price of the Bombay Government's plant in the Chola Power House. Of the balance, an amount of 3·68 crores is accounted for by acceleration of track renewals with better availability of track materials and 3·07 crores under rolling stock due to better prospects of delivery of imported items and increase in indigenous production of wagons and coaches in the Integral Coach Factory ; partly offset by shortfall mainly under plant and machinery based on the latest expectations and slower progress on bridges due to delay in supply of steel girders.

Demand No. 18—Development Fund.—There is a reduction of 6·32 crores in the Revised Estimate as compared to the Budget grant under this Demand. This is mainly due to slow progress under the operating, improvement works, partially offset by slight increase under 'New Lines' and better progress under labour welfare works *viz.*, institutes , quarters and hospitals where material required is different from that required for the line capacity works.

The revised estimate of credits for released materials and recoveries from Road Authorities for part of the cost of the Ganga Bridge etc., which are adjustable in reduction of gross expenditure on Works, Machinery and Rolling Stock is 5·76 crores which is very close to the Budget Estimate of 5·81 crores.

BUDGET ESTIMATE 1958-59

21. Against the total allotment of 1,125 crores for the Railway's Second Five Year Plan, 179 crores was spent in the first year and 235 crores is expected to be spent in the current year. The programme for 1958-59, the third year of the plan, has been fixed at 260 crores. The distribution of this amount over the broad categories of expenditure is given below along with its tentative allocation between Capital, the Depreciation Reserve and Development Funds and Revenue.

(in lakhs of Rupees)

Particulars	Capital	Depreciation Reserve Fund	Development Fund	Open Line Works—Revenue	Total
1. Rolling Stock (excluding stock provided as part of electrification Project)	56,66	31,24	2	3	87,95
2. Machinery and Plant . . .	1,98	2,29	..	1,23	5,50
3. Track Renewals . . .	—5	33,91	68	23	34,77
4. Bridge Works	14	3,30	26	45	4,15

(In lakhs of rupees)

Particulars	Capital	Depreciation Reserve Fund	Development Fund	Open Line Works—Revenue	Total
5. Ganga Bridge	2,21	..	..	..	2,21
6. Traffic facilities	43,01	2,91	12,57	4,88	63,37
7. Signalling and Interlocking Works etc.	41	1,01	2,26	2,26	5,94
8. Workshops excluding those provided as part of electrification projects	4,45	1,04	7,19	1,94	14,62
9. Electrification (Electric traction)	16,49	96	24	3	17,72
10. Staff Quarters	91	16	5,68	1,28	8,03
11. Amenities for Staff	11	1	2,47	52	3,11
12. Passenger and other Railway Users, Amenities	..	..	2,80	..	2,80
13. New Lines excluding Electrification Projects and Ganga Bridge Project	10,23	1	3,81	..	14,05
14. Restoration of dismantled lines	11	..	4	..	15
15. Other Structural Works	91	77	3,59	3,76	9,03
16. Purchase of Railway lines	..	..	..	..	..
17. Investment in Road Services	2,50	..	..	..	2,50
18. Increase or decrease in balances under :—					
(a) Stores Suspense	14,83	..	..	..	14,83
(b) Manufacture Suspense	—2,64	..	..	..	—2,64
(c) Miscellaneous Advances	—3,27	..	..	..	—3,27
19. Credits or recoveries :					
(a) Credits for released materials	..	—5,74	..	—4	—5,78
(b) Other Credits	—44	..	..	.	—44
TOTAL	1,48,55	71,87	41,61	16,57	2,78,60
Probable Savings	—9,71	—2,32	—4,91	—1,66	—18,60
Net	1,38,84	69,55	36,70	14,91	2,60,00

The distribution of the net provision of 260 crores is 161·83 crores for Structural Engineering Works, 92·97 crores for Rolling Stock and Machinery and Plant, and 5·20 crores for all other items including Investments in Road Services and net transactions under Suspense heads and credits for released materials, etc. Out of this, the major portion *viz.*, 196 crores is for Works in Progress or programmed deliveries of Rolling Stock and Machinery and the balance of 64 crores is for New Works or New Acquisitions of Rolling Stock and Machinery.

22. *Rolling Stock.*—Of the proposed expenditure of 87·95 crores on Rolling Stock, 65·17 crores is for programmed deliveries and 22·78 crores for new acquisitions. The expenditure on the different categories of Rolling Stock is shown in detail in the table below:

(In lakhs of rupees)

Particulars	Programmed Deliveries	New Acquisitions
Locomotives	21,92	50
Boilers	31	1
Carriages	24,68	5,56
Wagons	17,9[illegible]	16,58
Ferries	31	13
TOTAL	65,17	22,78

(The Railway-wise distribution of the provision is given at pages 77—81 of Part I of the consolidated Works, Machinery and Rolling Stock Programmes of Railways).

The programme of 'New Acquisitions' includes provision for the following units of Rolling Stock :

Particulars	To be obtained from abroad	To be obtained from indigenous sources	Total
(*a*) Locomotives—			
(*i*) Steam	23	232	255
(*ii*) Diesel	..	..	..
(*iii*) Electric	..	..	..
(*b*) Boilers (Steam)	..	10	10
(*c*) (*i*) Carriages	..	2,355	2,355
(*ii*) Rail Cars	2	..	2
(*iii*) Electric Multiple Units	..	..	..
(*d*) Wagon (in terms of 4-wheeler)	..	18,994	18,994
(*e*) Cranes	118	..	118

One of the noteworthy features of the Rolling Stock Programme is the heavy preponderance of indigenous supplies. Out of Rolling Stock valued at 87·95 crores included in the Programme, 60·17 crores is on indigenous procurement.

23. *Machinery and Plant.*—The budget provision for Machinery and Plant is 5·50 crores, which comprises 5·21 crores for Programmed deliveries and 0·29 crores for new acquisitions.

Replacements of Plant and Machinery in the 1958-59 Programme (New Acquisitions) is as usual being made on condition basis, *i.e.* only those items have been selected for replacement as have outlived their useful life and are beyond economic repairs. The total commitment involved in such replacements is 1·34 crores of which the expenditure proposed during the year 1958-59 is 6 lakhs only. Additions to plant and machinery in the Programme for the Budget year are estimated to cost 2·35 crores of which 23 lakhs are expected to be incurred during the year 1958-59.

1. A summary of the requirements of each Railway under new acquisitions as well as programmed deliveries is given at pages 82-83 of Part I of the Consolidated Works, Machinery and Rolling Stock Programme of the Railways.

24. *Construction of New Lines.*—The provision for the construction of new lines including restoration of dismantled lines during 1958-59 (excluding credits of 44 lakhs for recoveries from Road Authorities for part of the Ganga Bridge) is 32·26 crores. Of this 31·14 crores is for Works in progress and 1·12 crores for New Works as detailed below :

(In lakhs of rupees)

	Expenditure upto 1957-58	Provision for 1958-59	Balance to complete	Probable date of completion
WORKS IN PROGRESS				
1. Khandwa-Hingoli Line (Central Railway) .	636·78	350·00	252·77	1961
2. Proposed B. G. Line to serve the area previously served by Baraset-Basirhat Light Railway (Eastern Railway) . . .	4·24	50·00	144·96	1960
3. New Branch Lines in Karanpura and Kathara areas (Eastern Railway)—				
(*a*) Jarangdih Kathara Sidings including junction arrangements at Jarangdih and Kathara Yard	4·00	30·00	17·90	1960
(*b*) Patratu Damodar—Extension including junction arrangement at Patratu . .	1·00	30·00	50·61	1960
(Formerly named as New Branch lines in Karanpura Coal Fields aggregating 24 miles in length).				
4. Provision of a New Line between Chandrapura-Bondamunda (Rourkela) Phase I—Chandrapura—Muri Line (Eastern Railway)	58·00	100·00	323·27	1959
5. Construction of B. G. Railway Line from Barhan to Etah (Northern Railway) . .	100·21	34·00	..	1958
6. Quilon-Ernakulam (Southern Railway) .	584·39	35·00	..	1958
7. Electrification of Tambaram to Villupuram (Main Line) (Southern Railway) . . .	18·45	7·95	326·05	1960
8. Noamundi-Banspani Link (Southeastern Railway)	166·68	63·32	..	1958
9. Provision of Branch line from Rourkela to Dumaro (Southeastern Railway) . . .	231·90	211·13	16·93	1959

(In lakhs of rupees)

	Expenditure upto 1957-58	Provision for 1958-59	Balance to complete	Probable date of completion
10. Provision of a Branch Line from Bhillai to Dhalli Rajhara (South-Eastern Railway)	308·87	94·68	34·84	1959
11. Branch and Assisted Siding to serve Rajnagar and West Jhagrakhand Collieries (South-Eastern Railway)	27·17	14	..	1958
12. Bijuri-Tagini-Karonji C.I.C. Project (South-Eastern Railway)	3·00	50·00	803·00	1961
13. Indore, Dewas-Ujjain—Providing a Broad Gauge rail connection between (Western Railway)	258·30	75·55	7·33	1958
14. Raniwara-Bhildi Line (Western Railway)	136·33	24·00	6	1958
15. Adipur-Bhuj—Conversion Project (Western Railway)	31·14	45	..	Completed
16. Electrification of :—				
(*i*) Howrah-Burdwan Main Line including Tarakeshwar Branch	1111·77	203·38	28·10	1958
(*ii*) Durgapur-Gaya, Pradhan-khanta-Patherdih	92·88	198·50	978·26	1959
(*iii*) Sealdah Division	74·15	404·00	1086·11	1961
(*iv*) Durgapur-Docks and Conversi n of Phase I	12·43	274·61	1058·83	1961
(*v*) Howrah-Khargpur	10	107·60	643·71	1961
(*vi*) Asansol-Sini-Tatanagar-Rourkela Kandra-Gomharria Rajkharswan-Noamundi	46·00	262·17	1232·09	1960
(*vii*) Gaya-Moghalsarai	48·36	133·46	480·77	1960
(*viii*) Khargpur-Tatanagar	..	32·57	262·27	1960
17. The Brahmaputra Bridge Project (Northeast Frontier Railway)	1·00	150·00	849·00	1963
18. Mokameh—Providing a Broad Gauge rail-*cum*-road bridge over the Ganga at (Railway portion only)	834·33	176·75	138·70	1959
TOTAL	..	3099·26	..	..
NEW WORKS				
19. Provision of a new link between Chandrapura-Bondamunda (Rourkela) Phase II—Muri-Ranchi Line (Eastern Railway)	..	50·00	539·74	1961
20. Proposed Marshalling Yard and Washery near Dugda Phase I (Eastern Railway)	..	15·00	66·21	1959
21. Robertsganj-Garhwa Road Project (Northern Railway)	..	21·67	1680.33	1963
22. Second Yamuna Bridge—Land required for the Bridge, its approaches and training works and connecting Railway lines (Northern Railway)	..	20·00	11·11	..
23. Igatpuri-Bhusawal—Electrification Project (Central Railway)	..	5·00	1478·04	1962
TOTAL	..	111·67	.	..
GRAND TOTAL	..	3210·93	..	..

The Muri-Ranchi Line, 40·43 miles in length, is a part of the Chandrapura-Muri-Ranchi-Bondamunda Project (185·61 miles). Construction of the Chandrapura-Muri Link (44·28 miles) is already in progress. The primary object of this project is to serve the Steel Plants at Rourkela and Bhillai. The Muri-Ranchi line is estimated to cost 5·90 crores.

The Ministry of Steel, Mines and Fuel propose to set up a Coal Washery at Dugda in order to supply washed coal to the Steel Plants at Rourkela and Bhillai. In order to cater for this washery, a new marshalling yard at Dugda at a cost of 81 lakhs has become necessary.

The Robertsganj-Garhwa Road Project at an estimated cost of 17 crores is intended to provide a direct connection between the Barkakana coal fields on the Eastern Railway to North India bye-passing the Moghalsarai yard affording much needed relief to that yard and also to open up the Rihand Dam area in U.P.

Only land acquisition is being undertaken for the present for the second Yamuna Bridge at Delhi, since the details of the bridge have not yet been settled.

25. *Restoration of Dismantled Lines.*—A provision of 15·33 lakhs has been made for the restoration of the following dismantled lines which are already in progress.

(In lakhs of rupees)

	Expenditure upto 1957-58	Provision for 1958-59	Balance to complete	Date on which the line was re-opened for traffic or will be opened for traffic
IN PROGRESS				
1. Restoration of the Rohtak-Gohana portion of Rohtak, Gohana, Panipat dismantled line (Northern Railway)	35·17	1·00	13·12	1958
2. Restoration of the Akbarpur-Tanda line (Northern Railway)	..	10·00	15·66	195
3. Restoration of the Utraitia-Sultanpur Zafrabad Branch Line (Northern Railway) . ..	221·62	4·33	11·28	Already opened
TOTAL .	..	15·33	..	

26 *Track Renewals.*—With better availability of track materials, a provision of 34 77 crores has been made for Track Renewals. This would go some way in catching up with the backlog. 21·15 crores is for works in progress and 13·62 crores for new works.

27. *Other Open Line Works.*—The provision for other Open Line Works is 112·48 crores. About 84 per cent. of this is for works for augmenting line capacity and other operating improvements to handle the increasing level of traffic and the balance is mainly for bridge works, passenger amenities, staff quarters and amenities for staff as shown in the table below :—

(In lakhs of rupees)

	Capital	D.R.F.	D.F.	Revenue Demand No. 13	Revenue Demand No. 14	Total
I. Bridge Works—						
(*a*) Works in Progress	14	2,52	22	..	22	3,10
(*b*) New Works .	..	78	4	..	23	1,05
II. Operating Improvements —						
(*a*) Works in progress	41,47	5,68	20,68	..	7,86	75,69
(*b*) New Works .	7,59	93	5,18	..	5,00	18,70
III. Staff Quarters—						
(*a*) Works in Progress	81	3	3,90	33	..	5,07
(*b*) New Works .	10	13	1,78	95	..	2,96
IV. Staff Amenities						
(*a*) Works in progress	11	1	1,67	25	..	2,04
(*b*) New Works .	..	..	80	27	..	1,07
V. Users' Amenities—						
(*a*) Works in Progress	..	..	2,00	..	..	2,00
(*b*) New Works .	..	..	80	..	..	80
SUMMARY						
(*a*) Works in Progress	42,53	8,24	28,47	58	8,08	87,90
(*b*) New Works .	7,69	1,84	8,60	1,22	5,23	24,58
GRAND TOTAL .	50,22	10,08	37,07	1,80	13,31	112,48

New Works, each costing 20 lakhs and above and important works in progress are listed in Sections (a) and (b) of Appendix I to this Memorandum.

New Works : Full details of new works proposed to be taken up during 1958-59 are given in the individual Railway's consolidated Works Programmes. Works costing 1 crore or more are detailed below broadly classified according to the purpose which they are designed to serve.

(In lakhs of Rupees)

	Anticipated cost	Outlay Proposed for 1958-59
(a) *Works for enhancing line and yard capacity in order to move increase in traffic connected with new steel, plants, increase in output of coal and other traffic* :		
(i) Doubling of line about 68¾ miles on the Section Drug to Kamptee (South-eastern Railway)	782	50
(ii) Anuppur-Katni-Murwara Section Doubling (South-Eastern Railway). .	665	100
(iii) Doubling Vizianagram-Gopalanatnam including remodelling of store depot yard at Waltair (South-Eastern Railway) . .	380	70
(iv) Katihar-Barauni Section—Provision of centralised traffic control on (North-east Frontier Railway)	176	1
(v) Khagaria-Katareah Section—Doubling of line between (Northeast Frontier Railway)	188	7
(vi) Doubling from Talamanchi to Munsunur from mile 118 to 135½ (existing length 17·5 miles, altered length 20·5 miles) (Southern Railway) . . .	143	53
(vii) Conversion of M.G./B.G. Gudivada-Bhimavaram-Bezwada Masulipatam Section Gudivada-Bhimavaram (Phase I) (Southern Railway)	225	26
(viii) Doubling from Chitteri to Mukundarayapuram from mile 47½ to 70 (existing length miles 22·5—altered length 24·5 miles) (Southern Railway) . . .	168	53
(ix) Howrah-Khargpur Section—Replacing 7 Nos. 300/, Spans of Dn. line Bridge No. 57 Rupnarayan on the Khargpur-Howrah Section at mile 33/16 (South-Eastern Railway).	150	13
(b) Expansion of Workshops and Loco sheds to keep pace with the increase in Rolling Stock holdings.—		
(i) Jagadhri—Additions and alterations to carriage and wagon shops at (Northern Railway)	330	20
(ii) Perambur Carriage Work improvements to (Southern Railway)	103	5
(iii) New Wagon Shop at Chakradharpur (South-Eastern Railway) . . .	260	5

Some important sections on which the line capacity is proposed to be augmented are :—

(1) Igatpuri—Bhusawal Section on the Central Railway.

(2) Patna—Gaya Section on the Eastern Railway.

(3) Delhi—Rewari Section on the Northern Railway.

(4) Gorakhpur—Chupra Section on the Northeastern Railway.

(5) Katihar—Barauni Section on the Northeast Frontier Railway.

(6) Bezwada—Budur Section on the Southern Railway.

(7) Arkonam—Jalarpet Section on the Southern Railway.

(8) Bezwada—Waltair Section on the Southern Railway.

(9) Vizianagram—Gopalapatnam Section on the Southeastern Railway.

(10) Drug—Kamptee Section on the Southeastern Railway.

(11) Anuppur-Katni-Murwara Section on the Southeastern Railway.

(12) Ratlam—Nagda Section on the Western Railway.

The list of works each costing between 5 and 20 lakhs is given on pages 61—74 of Part I of the 'Consolidated Works, Machinery and Rolling Stock Programme.'

28. *Investment in Road Services.*—A provision of 2·50 crores is proposed for investment in Road Services during 1958-59. A statement showing the investments made in 1957-58 is given at page 60 of the Works, Machinery and Rolling Stock Programme.

29. *Stores, Manufacture and Miscellaneous Advances Suspense.*—A provision of 8·92 crores has been made under these heads, comprising an increase of 14·83 crores in stores balance offset by a reduction of 5·91 crores in the balances under manufacture and miscellaneous advances suspense. The increase of 14·83 crores in stores balances is due to more purchases expected to be made for building up stock to ensure smooth execution of works during the Plan period and for increase in general purposes stores during the coming year due to increase in traffic.

30. Credits for released materials to the extent of 5·78 crores are expected to be adjusted in the accounts of the Budget year, but these are excluded from the scope of the Demands.

31. The distribution of the total net estimated expenditure of 260 crores during 1958-59 on Works, Machinery and Rolling Stock Programme of the Railways by Demands is as follows :—

Demand No. 13.—Labour Welfare	1,62,37,000
Demand No. 14.—Other than Labour Welfare	13,28,47,000
Demand No. 15—Construction of New Lines	24,95,32,000
Demand No. 16—Additions	89,99,96,000
Demand No. 17.—Replacements	93,43,56,000
Demand No. 18 —Development Fund	36,70,32,000
	2,60,00,00,000

32. For further particulars of the Budget Estimate for expenditure chargeable to Capital, Depreciation Reserve Fund, Development Fund and Open Line Works—Revenue, a reference is invited to the Consolidated Works, Machinery and Rolling Stock Programme of Railways, Parts I and II.

NEW DELHI;
Dated 17th February, 1958.

J. DAYAL,
Financial Commissioner for Railways.

APPENDIX I

(a) The New Works costing more than 20 lakhs each for which funds have been provided in 1958-59 are:—

(Figures in lakhs of rupees)

S. No.	Description of Works	Anticipated cost	Provision for 1958-59	Balance to complete work
	CENTRAL RAILWAY			
1	Bombay Area (Kurla)—Acquisition of land for building staff quarters	29	2	27
2	Jhansi-Kanpur Section.—Regirdering of Yumuna Bridge at Kalpi between miles 792/14 and 793/7 (10/250/Spans)	62	8	54
3	Parel Shops.—Extension of the additional bay (Phase II)	22	5	17
	EASTERN RAILWAY			
4	Moghalsarai.—Remodelling of Yard—Phase II. .	25	1	24
5	Avoiding line between Ratibati and Searsole No. 1 siding	36	4	32
6	Sitarampur.—Provision of additional facilities in the yard	40	5	35
7	Provision of a modern route Relay Interlocking of the latest control switch or push button pattern on the line to line principle with automatic point setting through storage, etc., at Howrah terminal yard	25	1	24
	NORTHERN RAILWAY			
8	Providing Standard III Signalling on Shakurbasti-Bhatinda Section in place of List and Morse Signalling	32	·08	31·92
9	Samadri.—Provision of a Loco Shed at . .	29	4	25
10	Doubling of Delhi Rewari M. G. Section between Khalilpur and Rewari Stations (II Phase) . .	22	10	12
11	Jagadhri.—Additions and alterations to Carriage & Wagon Shops at	3,30	20 .	3,10
	NORTH-EASTERN RAILWAY			
12	Acquisition of land at Garhara for development works	20	10	10
13	Izatnagar—Development of the new colony at Phase II	38	5	33
14	Samastipur.—Remodelling of yard at . . .	27	2	25
	NORTHEAST FRONTIER RAILWAY			
15	Pandu.—Acquisition of land for staff quarters . .	22	1	21

(Figures in lakhs of rupees)

S. No.	Description of Works	Anticipated cost	Provision for 1958-59	Balance to complete work
16	Katihar-Barauni Section.—Provision of centralised traffic control on	1,76	1	1,75
17	Khagaria-Katareah Section.—Doubling of line between	1,88	7	1,81
	SOUTHERN RAILWAY			
18	Doubling from Gudur to Manubolu from Mile 84 1/2 to 90 (existing length in miles 5·5—altered length 6·5 miles)	88	20	68
19	Doubling from Talamanchi to Musunur from Mile 118 to 135 1/2 (Existing length 17·5 miles—altered length 20·5 miles)	1,43	53	90
20	Doubling from Tettu to Ulavapadu from Mile 148 1/2 to 157 (Existing length 8·5 miles—altered length 9·5 miles)	60	20	40
21	Doubling from Uppugundur to Chinnaganajam from Mile 194 1/2 to 198 1/2 (Existing length 4 miles—altered length 4·5 miles)	43	26	17
22	North-West Line.—Doubling from Vepagunta to Puttur from Mile 65 to 69 1/2 (Existing length 4·5 miles altered length 5·5 miles)	47	33	14
23	North West line.—Doubling from Pudi to Renigunta from Mile 78 to 84 (Existing length 6 miles—altered length 6·75 miles)	69	48	21
24	Doubling from Arkonam to Ponpadi from Mile 42 1/2 to 55 (Existing length 12·5 miles —altered length 12·5 miles)	74	48	26
25	Arkonam.—Engineering Worksops—Remodelling of	41	8	33
26	Provision of Power Signalling at different stations .	25·7	·1	25·6
27	Doubling Rajahmundry-Samalkot—Rajahmundry-Dwarapudi Section (Phase I)	79	26	53
28	Conversion of M.G./B.G. Gudivada-Bhimavaram ; Bezwada Masulipatam Section Gudivada Bhimavaram (Phase I)	2,00 R. 25	26	1,74
29	Virudhunagar.—Proposed Marshalling Yard . .	24	9	15
30	Madras Central.—Remodelling of Phase (1) —Shifting of coaching yard from Madras Central to Basin Bridge	93	15	78
31	Perambur.—Loco Works—Improvement to . .	22	5	17

(Figures in lakhs of rupees)

S. No.	Description of Works	Anticipated cost	Provision for 1958-59	Balance to complete work
32	Perambur Carriage Works.—Improvements to . .	1,03	5	98
33	Arkonam—by-pass line—Opening of yard and Triangle	23	9	14
34	Doubling from Chitteri to Mujundarayapuram from Mile 47 1/2 to 70 (existing length miles 22·5—altered length 24·5 miles)	1,68	53	1,15
35	Conversion into crossing station at Ernakulam Town-Nellay, Kalamassari, Koratti Angadi and Improvements at Chalakudi and Vettikatiri . . .	25	12	13
36	Hubli—New General Stores at	29	8	21
37	Provision of Crossing stations and 3rd line facilities at Chikodi Road, Chinchili, Ghatprabha, Sulephavi, Desur, Tavargatt, and Extension of loop to hold 60 vehiclesat ; Gunji, Nagargali, Nambarganvi, Mugad, Kyarko Dharwar Khanapur . .	51	21	30
	SOUTHEASTERN RAILWAY			
38	Doubling Vizianagram—Gopalpatnam including remodelling of store depot yard at Waltair . .	3,80	70	3,10
39	(*a*) Drug to Kamptee—Doubling of line about 68 3/4 miles	7,82	50	7,32
	(*b*) Crossing Station and additional loops . . .	76	..	76
40	Anuppur.—Katni—Murewara Section—Doubling of	6,65	1,00	5,65
41	Replacement of GKW type D.W. lever by clutch type levers for points and signals with provision of snag dead end in place of traps on certain stations	20	8	12
42	Howrah-Khargpur Section.—Replacing 7. Nos. 300' pans of Dn. line Bridge No. 57 Rupnarayan on the KGP-HWH Section at mile 33/16 . .	1,50	13	1,37
43	Regirdering of Damodar Bridge No. 520 . . .	40	2	38
44	New Wagon Shop at Chakardharpur . . .	2,60	5	2,55
45	Very High Frequency multi-Channel Scheme on the Southeastern Railway	32	12	20
	WESTERN RAILWAY			
46	Ratlam-Nagda Section.—Partial doubling of the Ratlam-Bangrod and Birwania Nagda Section on the	76	40	36
47	Bayana-Agra Section.—Replacing 16 spans of 133' old and under-strength girders by new M.L. standard ones on Jamna Bridge No. 162 . .	28 R.10	1	27
48	Kotah.—Providing a township for the staff of the proposed wagon repair workshop at . .	50	3	47
	OTHER WORKS			
49	Perambur.— Introduction of Second Shift at .	92	24	68

APPENDIX I

(b) The important items under works in Progress costing more than 20 lakhs each for which funds have been provided in 1958-59 are :—

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	CENTRAL RAILWAY				
1	Kalyan Power House Extension . .	3,05	3,02	3	..
2	Kalyan Power House.—Providing 18 M.W. Plant	89	63	21	5
3	Kurla Trombay Rail facilities for Oil Refineries	76 R. 3	53	12	11
4	Wadi Bunder.—Provision of additional transhipment facilities . . .	28	20	7	1
5	Bhusawal Up Yard.—Remodelling . .	51	6	17	28
6	Bhusawal-Itarsi Section.—Provision of increased crossing facilities . .	21	7	13	1
7	Itarsi.—Remodelling of the yard . .	58	5	18	35
8	Kalyan.—Remodelling of the yard .	52	12	20	20
9	Wadi.—Remodelling of the yard . .	33	4	15	14
10	Jhansi.—Provision of additional yard facilities	26	4	14	8
11	Mathura-Delhi Section.—Doubling of the remaining portion	1,99	1,48	50	1
12	Kazipet.—Remodelling of the yard .	22	2	14	6
13	Gwalior.—Remodelling of station and yard	21	2	10	9
14	Katni area.—Provision of a new yard .	90	..	28	62
15	Bina-Bhopal Section.—Partial doubling .	3,00	3	1,00	1,97
16	Jhansi-Manikpur Section.—Strengthening of major bridges between Khairar and Manikpur—26 spans of 100′ and 1 span of 250′	47	13	20	14
17	Equipping trailer coaches with dynamos and batteries to improve the ratio of equipped coaches	25	1	3	21

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	CENTRAL RAILWAY				
18	Kurla Station.—Provision of automatic block system with colour light signals on	25	15	8	2
19	Victoria Terminus.—Additional Office accommodation	36	13	18	5
20	Wardha-Balharshah Section.—Provision of upper quadrant double wire signalling at Hinganghat, Warora Majri, Bhandak, Tadali, Chanda, Sonegaon and Nagri (8 stations)	22	4	5	13
21	Balharshah-Kazipet Section.—Interlocking and provision of additional traffic facilities at 12 stations . . .	42	8	10	24
22	Bhandup-Thana.—Provision of automatic Block signalling	23	7	8	8
23	Bhusawal.—Provision of a Railway training school	34	9	12	13
24	Jhansi Workshop.—Increasing repair facilities and provision of two turbo alterators 1500 KV capacity to meet the increased power load . . .	1,96	6	20	1,70
25	Matunga.—Release of shop No. 8 for wagon repairs and building a new office for stores department . .	23	5	8	10
26	Itarsi.—Auxiliary fabrication shop . .	20	5	10	5
27	Mettuguda.—Extension of the S. & T. Workshop	23	3	10	10
28	Parel.—Reorganisation of Stores Depot .	35	5	8	22
	EASTERN RAILWAY				
29	Howrah.—Provision of additional goods shed facilities and yard in the area between Banaras Bridge and Tikiapara footover bridge	58	33	12	13
30	Sahibganj Loop.—Extension of loops to hold 70 wagons between Sahibganj and Kiul	25	6	6	13
31	Provision of additional lines at —				
	Bhurkunda.—One line . . .				
	Hendegir.—Two lines . . .				
	Khalari.—Two lines . . .				
	McCluskieganj.—Two lines . .	24	6	8	10
	Tori.—One line				
	Latehar.—Two lines. . . .				
	Kumandih.—One line . . .				
	Chipadohar.—One line . . .				

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	EASTERN RAILWAYS—contd.				
32	Barwadhi.—6 additional lines in the yard and extension of loco yard and shed .	24	8	7	9
33	Moghalsarai.—Additions a nd alterations to yard Phase I	1,15	15	40	60
34	Ondal.—A new yard for Durgapur Steel Plant including a fly-over junction to deal with the additional traffic in connection with Durgapur Steel Plant.	37	13	20	4
35	Damodar.—Avoiding line from Damodar station to Kalipahari to avoid Asonsol yard and alterations to Kalipahari yard	124	5	20	99
36	Asansol.—Remodelling of yard . .	31	..	10	21
37	Additional line between Ondal and Ukhra	38	5	20	13
38	Fly over crossing for goods line between Lillooah Sorting Yard and Howrah Goods over the South Eastern Railway Main Line and alterations to goods yard connected therewith to facilitate operation and prevent hold upto goods Traffic	55	10	20	25
39	Provision of third line from mile 5B to East Dock Jn.	23	20	1	2
40	Burdwan.—Extension of certain Receiving and Marshalling lines of both up and down yards and extension of loops etc. on the Sahibganj Loop to accommodate 70 wagons load between Burdwan and Sahibganj . . .	48	41	7	..
41	Dinapore Division.—Provision of additional facilities at Jhajha, Kiul Junction Mankatha, Burhee, Dinapore, Buxar, Moghalsarai in connection with movement of additional traffic on Main line by November 1955 . .	45	39	3	3
42	Ondal.—Remodelling of yard . .	2,33	10	50	1,73
43	Pathardih.—Additions and alterations to Pathardih Yard . . .	23	4	10	9
44	Sealdah.—Replacement of temporary quarters (other than Calcutta area) by type II quarters 303 units . .	25	20	4	1

Rs. 1

R. 3

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	EASTERN RAILWAY—contd.				
45	Howrah.—Provision of additional coaching stabling and washing lines to improve operation and to cater for the increased traffic anticipated in the next five years	51	8	4	39
46	Sakrigali.—Manhiari Ghat.—Development of B.G., M.G., Transhipment facilities	40	36	1	3
47	Dhanbad.—Provision of Training School for operating and commercial Departments	32	10	10	12
	NORTHERN RAILWAY				
48	Kanpur-Unnao Section.—Doubling of	49	40	9	..
49	Tughalakabad.—Marshalling Yard . .	1,07	46	30	31
50	Moradabad-Khanalampura Section.—Doubling of (2nd Phase) . . .	3,53	70	50	2,33
51	Shakurbasti.—Provision of Printing Press at	31	5	20	6
52	Kanpur Ghaziabad Section .—Extension of loops to hold 72 wagons load of 28 ft. length each	67	26	41	..
53	Lucknow-Charbagh.—Modernization of Loco Shops	55	37	10	8
54	Doubling of Kanpur.—Allahabad Section (60 miles)	2,60	1,20	90	50
55	Delhi-Area.—Providing 400 units type II double storeyed quarters for staff transferred to Delhi as a result of grouping	33	31	2	..
56	Allahabad Station.—Providing a new station building	37	29	7	1
57	Tundla.—Lengthening of loops and dead ends	20	8	6	6
58	Delhi Main.—Providing power signalling in station yard at	30	..	1	29

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	NORTHERN RAILWAY—*contd.*				
59	Delhi Main.—Remodelling yard to provide additional passenger platforms . .	39	5	12	22
60	Phaphamau.—Provision of a bridge workshop	25	..	1	24
61	Doubling of Delhi-Rewari M. G. line from Delhi-Sarai Rohilla to Garhi Harsaru	72	55	15	2
62	Bikaner.—Expansion of shops in connection with increase of locomotive outturn from 30 to periodical overhaul per year	65	3	10	52
63	Amritsar.—Provision of .B.G. Loco repair facilities on the ex. E.P.R. Section	4,26	1,30	31	2,65
	NORTHEASTERN RAILWAY				
64	Manduadih.—Works required in connection with stepping up transhipment facility from 120 B.G. to 200 B.G. wagons per day	23	19	4	..
65	Chupra.—Remodelling of yard . .	21	2	9	10
66	Kasganj.—Remodelling of Loco Shed .	27	..	6	21
67	Gonda-Burhwal Section.—Regirdering of Elgin bridge 17 ×200 at mile 440/22 .	50	..	1	49
68	Sonepur-Hajipur.—Replacing the existing Gandak bridge (8 ×250″) by a new double line bridge with extra clearance navigation	2,02	68	62	72
69	Banaras-Manduadih.—Provision of a new running shed in replacement of the present running shed at . .	33	5	14	14
70	Barauni Junction.—Providing an engine shed in replacement of the present shed at	71	15	33	23
71	Gorakhpur (Kushmi).—Development colony in connection with expansion of colony at	43	3	6	34
72	Gonda.—Remodelling of station yard .	41	14	7	20
73	Gorakhpur.—Remodelling of station yard	24	12	6	6

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure end of 1957-58	Provision for 1958-59	Balance to complete work
	NORTHEASTERN RAILWAY—*contd.*				
74	Izatnagar.—Extension of Mechanical workshop	1,86	37	28	1,11
75	Gorakhpur.—Remodelling of loco shed at	28	23	1	4
76	Gorakhpur.—Extention of workshop at	1,17	95	7	15
77	Gorakhpur-Katihar.—Improved telecommunication on	21	..	1	20
	NORTHEASTERN FRONTIER RAILWAY				
78	Pandu.—Works in connection with setting up of Headquarters	1,65	40	50	75
79	Katihar.—Remodelling of yard . .	80	2	10	68
80	Katihar-Barsoi.—Doubling of track between	93	5	20	68
81	Tinsukia.—Remodelling of yard . .	35	2	15	18
82	Bongaigaon.—Provision of a carriage wagon shop at	5,75	3	34	5,38
83	Strengthening of the Assam rail link route (Kishanganj-Amingaon) . .	3,18 R. 32	25	2,10	83
	SOUTHERN RAILWAY				
84	Arkonam Tirupattur Section.—Doubling between Arkonam and Chitteri (5 miles)	22 R. 24	21·9	·03	·07
85	Jalarpet Junction.—Remodelling of yard	26 R. 1	4	15	7
86	Bezwada Junction.—Remodelling of yard (N.E. Line) . .	86 R. 3	61	20	5
87	Renigunta-Gudur Section.—Conversion of—into Broad Gauge (N.E. Line).	2,18 R. 13	1,87	27	4

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
88	Laying a diversionary line Hamsavaram Bank from mile 417 to 421 (6·32 miles along the new alignment) . .	46	5	40	1
89	Regrading 1 in 250 between Narasapatnam Road and Gullipadu (4·51 miles) . R.	27 1	4	17	6
90	Tenali-Gudur Section.—Doubling between Kadavakuduru and Bapatla (19½ miles)	76	57	15	4
91	Tenali-Gudur Section.—Doubling between Ulavapadu and Surareddipalam (17 miles)	1,46	54	51	41
92	Bezwada-Gudur.—Doubling of B. G. track from Bapatla to Tenali—26⅓ miles from mile 220⅓ to 247 (N.E. Line) . . . . . R.	1,36 1	7	77	52
93	Olavakkot Junction.—Proposed layout for Creosoting Plant. . . .	24	21	3	..
94	Podanur Junction.—Proposed Central Signal and Tele-Communication Workshops	23	7	11	5
95	Arkonam-Renigunta Section.—Doubling of the BG track from Ponpadi to Vepagunta.—11·74 miles along new alignment from mile 55 to 64 (N.W. Line)	1,76	2	97	77
96	Arkonam—Renigunta Section.—Doubling of the BG track from Pudia to Puttur (13·75) miles along new alignment from mile (69⅓ to 78) (N.W. Line) . .	1,37	2	72	63
97	Guntakal.—Remodelling of MG Yard .	26	21	4	1
98	Gadag-Sholapur Branch.—Regirdering to BL Standard. 100 ft. spans of bridges Nos. 8 (12 × 100 ft. girders) and 76 (8 × 100 ft. girders)	21	15	4	2
99	Gadag-Sholapur Branch.—Regirdering 21—150 ft. spans stengthening piers of Bridge No. 63 (Krishna) at mile 75/6-16 to M.G. BL standard .	29	11	7	11
100	Bezwada.—Construction of the units type II, 8 units type III, 8 units type IV, 5 units type IV (Special) and 2 units type V quarters for essential class III staff and officers in connection with the Divisionalisation of the Rly. .	29	12	8	9

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
101	Olavakkot.—Construction of 275 units type II, 25 units type III and 4 units type IV quarters for class III staff in connection with the Divisionalisation of the Railway	27	21	6	..
102	Guntakal.—Construction of 290 units type II, 20 units type III and 6 units type IV quarters or essential class III staff in connection with the introduction of the Divisional System . .	27	25	2	..
103	Arkonam-Tirupattur Section.—Doubling between Vinnamangalam and Tirupattur (19⅓ miles) . . .	1,27 R. 1	43	84	..
104	Arkonam-Tirupattur Section.—Doubling between Mukundarayapuram and Latteri (15 miles)	91 R. 2	46	45	..
105	Jalarpet-Podanur Section.—Partial doublings and realignment of tracks from Bommidi to Tinnappatti from (Mile 180¼ to 196½) 22·6 miles along new alignment (S.W. Line) . . .	1,62	2	99	61
106	Jalarpet-Podanur Section.—Vembaditalam-Mavelipalayam.—Regrading and realignment (Mile 218¼ to 227¼) (S.W. Line)	1,21 R. 1	2	63	56
107	Hubli Workshops.—Remodelling of .	1,02	10	87	5
108	Tiruvarur Junction.—Remodelling of .	28	23	4	1
	SOUTHEASTERN RAILWAY				
109	Bondamunda.—New Marshalling yard at	3,23	55	1,51	1,17
110	Sini—Rajkharswan.—Provision of automatic signalling between . . .	25	10	12	3
111	Bhillai.—New Marshalling yard at .	3,15	52	1,70	93
112	Increasing the line capacity of Khurda Road-Nergundi Section . . .	33 R. 2	1	16	16
113	Rajkharswan-Barajamda Section.—Doubling of	5,95 R. 43	2,84	3,04	7
114	Additions and alterations to yard facilities at Adityapur and Tatanagar for dealing with 2 million ton production of TISCO	2,19 R. 4	36	56	1,27

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	SOUTHEASTERN RAILWAY—*contd.*				
115	Doubling Rourekela to Drug . .	21,06 R. 17	5,92	8,48	6,66
116	Khargpur Workshop—New Mill Wright Shop	24	6	5	13
117	Palasa-Waltair Section.—Bridge No. 1354 at mile 462-472/19. Spans of 70′ replacing of Girders	22	5	5	12
118	Third reception lines at Naupada, Sigadam, Garividi, Nellimarla, Amarda Road, Haldipada, Tapang and Srikakulam Road	37 R. 1	16	13	8
	WESTERN RAILWAY				
119	Godhra-Ratlam.—Doubling the track between	9,87	4,91	3,50	1,46
120	Dohad.—Remodelling the Loco Workshop at	28	5	11	12
121	Rajkot.—Works required in connection with Divisional Scheme . . .	48	21	4	23
122	Ahmedabad-Kalol.—Doubling the track between	98	97	1	..
123	Churchgate.—Remodelling the yard at .	62 R. 3	60	2	..
124	Sabarmati.—Remodelling the yard at .	1,58	1,31	27	..
125	Viramgam.—Remodelling the yard at .	21	7	10	4
126	Sawaimadhopur.—Remodelling the yard at	24	1	8	15
127	Shamgarh-Gangapur.—Extending the loops to standard length for 70 wagons at 31 stations	22	10	10	2
128	Ajmer.—Remodelling the loco shop at .	45	29	10	6
129	Grant Road, Bandra and Kandivli.—Proposed augmentation of converting plant capacity in the track wire line sub-stations at	34	15	12	7
130	Ajmer.—Replacing the existing generating plant in Ajmer Power House and improvements to power supply .	31	24	5	2
131	Bhopal-Ujjain Section.—Strengthening of major bridges Parbati Niwas and Kalisindh	20	15	3	2
132	Junagadh-Veraval Section.—Replacing the existing (7 × 100′ and 3 × 134′-8″) clear span weak and corroded girders of Ozat Bridge at mile 24 4-7 by new ones of strength upto M.G. M.L. standard on the . . .	21 R. 4	..	7	14

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1957-58	Provision for 1958-59	Balance to complete work
	WESTERN RAILWAY—*contd.*				
133	Metre Gauge.—Providing dynamos and battery equipment in 156 non-equipped coaches on the	25	24	1	..
134	Bombay.—Providing a 150 bed hospital at	58	20	10	28
135	Baroda-Anand.—Doubling the track between	1,00	30	54	16
136	Jogeshwari.—Remodelling the yard at .	22	1	10	11
137	Ahmedabad.—Remodelling the yard at .	1,58	2	32	1,24
138	Godhra.—Remodelling of station building and the yard at . . .	42	21	17	4
139	Palanpur.—Remodelling of Goods marshalling yard	41	3	14	24
140	Jaipur.—Remodelling the station yard at	55	5	15	35
141	Mehsana.—Remodelling the yard at .	48	23	16	9
142	Sabarmati.—Providing a new General Stores Depot	31	17	11	3
143	Phulera.—Remodelling the yard at . .	58	16	21	21
144	Mahalakshmi.—Remodelling of shop at .	32	7	5	20
145	Sabarmati.—Providing a bridges and points crossing workshop at . . .	50	30	15	5
146	Sabarmati.—Providing a central workshop for manufacture of signalling and interlocking materials . . .	26	20	4	2
147	Ajmer—Remodelling of carriage and wagon shop	1,08	31	60	17
148	Rajkot.—Providing a new carriage repair shop at	1,00	..	33	67
149	Rajkot.—Providing Loco Shed at .	23	3	10	10
150	Kotah.—Providing a new wagon repair shop at	2,10	53	75	82
151	Nagdah-Kotah Section.—Providing standard III Multiple Aspect Upper Quadrant Signalling	27	1	5	21
152	Churchgate (Bombay).—Providing Office accommodation at	63	42	21	..
	OTHER WORKS				
153	Expansion of Chittaranjan Locomotive Works	2,23	28	77	1,18
154	Integral Coach Factory Perambur. .	7,35	6,65	56	14
155	Providing immediate facilities required for Furnishing Coach Bodies at Perambur	21	15	3	3
156	Providing a Permanent Furnishing Unit for Integral Coach Body Shells at Perambur	3,70	27	1,17	2,26
157	Loco Component Works Varanasi .	4,89	31	1,25	3,33
158	Metre Gauge Coach Factory . .	7,50	1	5	7,44

APPENDIX

Passenger and other Railway

Railways	Water supply at stations, parcel offices and goods shed premises, including overhead watering arrangements and purification plants installed for Railway users, water coolers, electric or otherwise, water trollies, etc.	Provision of Retiring Rooms and waiting accommodation including reinforced cement concrete and other types of benches at stations, parcel offices, goods sheds, etc. including extension or improvements to existing waiting arrangements.	Refreshment Rooms and vendors stalls of all descriptions at stations, parcel offices, goods sheds, etc.	Provision or improvement of latrines at stations, parcel offices, goods sheds, etc.	Raising, extending, widening, surfacing, covering, or other improvements on platforms at stations including provision of seats, hedges, shade trees on platforms at stations, parcel offices and goods sheds, etc.	Provision of new over-bridges or subways and extension, improvements and covering of existing over-bridges or subways within station premises to connect platforms or offices at stations, parcel offices, goods sheds, etc.	Provision of bathing facilities at stations.	Provision or improvements to approaches and circulating areas at stations, parcel offices, goods sheds etc., including improved lighting, tonga-car-cycle-rickshaw stands, sheds for bullock and other cars, water troughs, etc.
1	2	3	4	5	6	7	8	9
Central	2,75	7,31	2,83	1,00	9,63	2,46	10	1,00
Eastern	1,50	6,15	18	21	9,97	1,03	8	1,05
Northern	1,18	5,05	15	78	6,58	59	8	43
Northeastern	1,12	3,94	36	1,34	3,35	30	24	13
Northeast Frontier	4,87	5,06	1,07	2,62	5,03	1,02	88	1,04
Southern	2,96	9,18	1,72	2,65	9,66	2,90	1,49	70
Southeastern	4,91	3,73	..	79	7,37	75	..	94
Western	2,92	9,20	..	1,47	9,17	54	8	1,37
TOTAL	22,21	49,62	6,31	10,86	60,76	9,59	2,95	6,66

II

Users' Amenities, 1958-59

(Figures in thousands of rupees)

mprovement to existing carriages such as provision of fans, improved lighting and lavatories, generating equipment, refrigerators in dining cars, special insulations in roofs, bigger, water tanks in carriages, better fittings, etc.	Improved lighting and provision of fans on platforms or in waiting halls and sheds or vendor stalls at stations, parcel offices, goods sheds, etc.	Washable aprons on passenger platform lines.	Opening of news flag stations or conversion of halts into flag stations.	Exhibition of sheet time tables in glass fronted frams at stations.	Works provided in connection with melas.	Any other work considered essential for meeting the requirement of Railway users at any station, *e.g.*, better sitting or improvements or additions to Booking Offices, Parcel or goods Delivery Windows, provision of information offices or Kiosks, improved arrangements for dealing with luggage, self-printing or Ticket Issuing Machines, provision of public announcement system etc.	Total
10	11	12	13	14	15	16	17
9,77	1,00	..	1,30	40	..	85	40,40
7,86	4,30	..	1,88	..	..	3,79	38,00
6,60	3,42	47	64	..	50	3,53	30,00
8,01	1,42	75	64	5	1	8,34	30,00
18	3,34	2	45	5	..	4,37	30,00
7,85	1,40	..	1,33	..	..	3,16	45,00
2,83	2,88	..	..	..	..	80	25,00
8,57	1,61	..	..	2	..	7,05	42,00
51,67	19,37	1,24	6,24	52	51	31,89	2,80,40

APPENDIX

Amenities for

WORKS

Railways	New Hospitals, dispensaries and additions and improvements to existing ones	New Schools and additions, alterations and improvements to existing ones	New Institutes, Rest houses, Sports Grounds and Reading rooms and improvements and additions to existing ones	Provision and improvement of health and welfare works, child welfare and maternity centres, cooling arrangements for workshops, canteens and Rest Rooms for workmen	Provision and improvement of sanitation, water supply, road-lighting and marketing facilities in Railway Colonies	Provision for Officers Quarters	Improvements and alterations to existing quarters of whatever type
1	2	3	4	5	6	7	8
Central . .	12,10	..	8,46	9,32	20,52	11,12	10,00
Eastern . .	7,54	87	88	6,86	15,44	8,00	15,21
Northern . .	13,93	2,83	5,68	1,13	7,01	2,44	11,72
Northeastern .	2,85	1,75	1,45	1,20	12,00	1,91	5,35
North-East Frontiter	5,66	1,60	1,65	5,03	5,64	1,00	6,91
Southern .	21,46	48	3,12	3,94	14,36	3,78	6,26
Southeastern .	6,17	5,14	1,64	5,17	8,78	5,87	6,19
Western . ..	30,53	1,50	4,17	3,90	8,40	7,50	2,00
Integral Coach Factory . . .	..	..	..	..	..	..	..
Chittaranjan Locomotive Works .	..	..	..	..	10,27	..	..
TOTAL .	1,00,24	14,17	27,05	36,55	1,02,42	41,62	63,64

III

Staff in 1958-59

(Figures in thousands of rupees)

						OTHER SERVICES			
Quarters for Class III staff	Quarters for Class IV staff	Other Works	Total	Medical expenses	Health & Welfare Services	Education	Canteen and other staff amenities	Total	Grand Total
9	10	11	12	13	14	15	16	17	18
24,02	44,54	14,92	1,55,00	38,78	43,42	43,47	4,82	1,30,49	2,85,49
39,25	37,16	3,19	1,34,40	25,60	48,53	22,10	3,26	99,49	2,33,89
32,20	53,82	14,50	1,45,08	32,91	53,09	28,42	3,05	1,17,47	2,62,55
30,30	24,67	3,65	85,13	16,39	27,64	15,91	2,13	62,07	1,47,20
53,72	38,37	1,71	1,21,29	15,64	26,40	15,20	2,05	59,29	1,80,58
47,51	50,96	1,64	1,53,51	35,47	16,97	16,97	3,00	84,08	2,37,59
42,50	44,27	8,10	1,33,83	20,01	52,13	36,15	3,48	1,11,77	2,45,60
72,45	18,05	1,50	1,50,00	36,94	26,82	35,51	3,29	1,02,56	2,52,56
..	..	..	..	..	..	..	..	..	..
25,00	..	60	35,87	..	..	..	..	..	35,87
3,66,77	3,11,84	49,81	11,14,11	2,21,74	3,06,67	2,13,73	25,08	7,67,22	18,81,33

APPENDIX IV

CAPITAL AND DEPRECIATION RESERVE FUND EXPENDITURE ON OPEN LINE AND NEW CONSTRUCTIONS DURING 1958-59

(Figures in thousands of rupees)

Railways	OPEN LINES						NEW CONSTRUCTIONS					
	Rolling Stock		Other Items		Total		Lines in Progress		New Lines		Total	
	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund
Central	48,87	30,41	7,43,27	7,64,72	7,92,14	7,95,13	3,28	72	5,00	..	8,28	72
Eastern	76,88	61,30	2,87,69	3,28,61	3,64,57	3,89,91	2,09,95	..	65,00	..	2,74,95	..
Northern	1,22,69	20,77	4,23,91	5,36,97	5,46,60	5,57,74	45,00	..	41,67	..	86,67	..
Northeastern	1,37,05	49,58	2,50,01	4,62,84	3,87,06	5,12,42	..	..	..	..	..	..
Northeast Frontier . . .	..	85	1,15,85	1,39,08	1,15,85	1,39,93	1,50,00	..	..	..	1,50,00	..
Southern	1,62,02	61,84	12,14,11	6,75,76	13,76,13	7,37,60	1,32	6,63	..	..	1,32	6,63
Southeastern	40,67	42,82	21,98,53	5,14,97	22,39,20	5,57,79	4,19,27	..	..	..	4,19,27	..
Western	72,32	66,44	7,61,25	6,30,79	8,33,57	6,97,23	1,00,00	..	..	..	1,00,00	..

Chittarajan Locomotive Works	..	..	1,68	46	1,68	46	..	..	..	..	..	..
Integral Coach Factory (Perambur)	..	..	1,43,70	..	1,43,70	..	..	..	..	..	..	..
Calcutta Electrification Project	..	..	..	..	..	..	16,14,61	1,68	..	..	16,14,61	1,68
Ganga Bridge	..	..	..	..	..	..	1,76,75	..	..	..	1,76,75	..
Loco Component Works (Varanasi)	..	..	1,38,03	..	1,38,03	..	..	..	..	..	..	..
Metre Gauge Coach Factory	..	..	10,00	..	10,00	..	..	..	..	..	..	..
Railway Board	50,05,14	27,89,86	69,00	..	50,74,14	27,89,86	..	..	..	..	..	..
TOTAL	56,65,64	31,23,87	63,57,03	40,54,20	1,20,22,67	71,78,07	27,20,18	9,03	1,11,67	..	28,31,85	9,03
Probable Savings	..	..	..	..	—6,25,82	—2,31,40	..	..	..	..	—3,45,11	—45
TOTAL—OPEN LINES AND NEW CONSTRUCTIONS.	..	..	..	..	1,13,96,85	69,46,67	..	..	..	..	24,86,74	8,58

APPENDIX V

DEVELOPMENT FUND EXPENDITURE ON OPEN LINES AND NEW CONSTRUCTIONS DURING 1958-59

(Figures in thousands of rupees)

Railways	Open Line Works			New constructions and Restorations		
	Works in Progress	New Works	Total	Lines in Progress	New Lines	Total
Central . . .	3,73,50	1,56,63	5,30,13	3,46,00	..	3,46,00
Eastern . . .	2,26,90	41,82	2,68,72	..	..	..
Northern . . .	2,38,76	1,49,27	3,88,03	4,33	..	4,33
Northeastern . .	1,94,78	40,50	2,35,28	..	..	..
Northeast Frontier .	3,80,17	60,90	4,41,07	..	..	..
Southern . . .	5,91,04	2,48,61	8,39,65	35,00	..	35,00
Southeastern . .	1,58,94	72,37	2,31,31	..	..	..
Western . . .	7,41,70	1,00,20	8,41,90	..	..	..
TOTAL .	29,05,79	8,70,30	37,76,09	3,85,33	..	3,85,33
Probable Savings .	..	..	—4,45,61	..	..	—45,49
Net .	..	..	33,30,48	..	..	3,39,84

APPENDIX VI

CAPITAL-AT-CHARGE OF INDIAN GOVERNMENT RAILWAYS, ETC.

(Figures in lakhs of rupees)

	Railways	1956-57	1957-58	1958-59
1	Central	196,49	218,27	225,52
2	Eastern	144,95	162,08	167,68
3	Northern	164,00	181,52	187,33
4	Northeastern	120,09	129,86	81,50
5	Northeast Frontier	..	..	54,47
6	Southern	145,15	159,47	172,27
7	Southeastern	114,56	140,41	164,28
8	Western	145,34	161,02	169,51
9	Chittaranjan Locomotive Works	19,39	20,06	19,99
10	Integral Coach Factory (Perambur)	8,66	10,98	12,18
11	Railway Board and other Miscellaneous items	2,25	2,94	53,68
12	Mokameh—Providing B. G. Rail-*cum*-Road Bridge over the Ganga at—	6,31	8,29	19,79
13	Calcutta Electrification	4,52	13,87	28,08
14	Locomotive Components Works—Banaras	..	35	1,58
15	Metre Gauge Coach Factory Bareilly	..	1	11
	TOTAL	1071,71	1209,13	1347,97

NOTE 1.—The figures against the Eastern, Northern and Northeastern Railways include the estimated capital-at- charge of the portions of the Ex-Assam Railway, Ex-Eastern Punjab Railway and late Bengal Assam Railway.

The capital-at-charge of the various railways has been reduced without financial adjustment to the extent of 2·74 crores in 1956-57, and 32 lakhs in 1957-58 on account of the revision of the *ad hoc* balances on 15-8-1957 consequent on various accounting adjustments since effected in pre-partition accounts (1-4-1947 to 14-8-1947).

NOTE 2.—The capital-at-charge of States lines amalgamated with Government Railwavs during 1949-50 and of worked lines which vested in the Centre from 1-4-1950 which has been added to the capital of the respective Railways of which they now form part is still provisional. In 1956-57 the capital-at-charge of Southern Railway has been reduced without financial adjustment by 1·62 crores due to downward adjustment of the capital-at-charge of the Ex-Mysore State Railway.

APPENDIX VII

CENTRAL RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	2,35,71	2,68,20	2,90,73	2,73,97	3,06,60	3,08,20
Third	16,38,03	17,00,00	17,67,09	17,57,37	18,26,80	18,80,90
(*ii*) Other Coaching—	5,43,99	5,69,46	5,75,18	6,30,30	6,73,00	6,71,90
(*b*) Goods	31,65,58	36,71,72	41,62,42	44,16,32	41,75,00	45,27,50
(*c*) Sundry Other Earnings	1,19,04	1,36,03	1,31,16	1,87,54	1,50,80	1,51,20
TOTAL	57,02,35	63,45,41	69,26,58	72,65,50	71,32,20	75,39,70
Suspense	1,35	27,71	24,16	—5,00	..	..
Gross Traffic Receipts*	57,03,70	63,73,12	69,50,74	72,60,50	71,32,20	75,39,70
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	4,45,58	4,83,84	5,28,78	4,58,35	4,72,18	4,91,58
(*ii*) Repairs and Maintenance	12,41,17	13,34,28	15,00,11	13,14,03	14,27,31	14,79,88
(*iii*) Operating Staff	7,55,77	8,35,43	8,74,95	8,57,05	8,80,90	8,86,33
(*iv*) Operation (Fuel)	4,20,27	4,09,41	5,03,31	8,54,42	9,11,37	9,49,18
(*v*) Operation other than Staff and Fuel	3,06,94	2,89,84	2,92,10	2,70,84	2,82,12	2,81,51
(*vi*) Miscellaneous Expenses	2,87,09	2,24,48	2,69,79	2,89,47	2,89,41	2,87,97
(*vii*) Labour Welfare	67,89	87,97	98,53	1,25,99	1,26,12	1,30,49
TOTAL	35,24,71	36,65,25	40,67,57	41,70,15	43,89,41	45,06,94
Suspense	54,73	67,78	37,80	—5,31	—45,81	—12,43
Total Ordinary Working Expenses	35,79,44	37,33,03	41,05,37	41,64,84	43,43,60	44,94,51

to Depreciation Reserve	5,95,57	8,86,29	8,84,33	8,86,40	8,57,97	8,52,16
..s to Worked Lines as share of ..nings	7,51	8,22	8,03	7,40	8,06	8,06
Total Working Expenses	41,82,52	46,27,54	49,97,73	50,58,64	52,09,63	53,54,73
Net Traffic Receipts	15,21,18	17,45,58	19,53,01	22,01,86	19,22,57	21,84,97
Miscellaneous Transactions—						
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..	..
(ii) Other receipts from subsidised companies	90	1,32	1,49	1,21	1,88	1,88
(iii) Miscellaneous Railway Receipts	9	11	1	2	3	3
Total Receipts	99	1,43	1,50	1,23	1,91	1,91
(b) Expenditure—						
(i) Rebate	..	..	..	..	..	..
(ii) Land	..	..	..	..	..	..
(iii) Surveys	1,92	3,19	8,20	6,41	3,79	..
(iv) Open Line Works—Revenue	87,67	95,10	1,24,92	1,62,31	1,80,82	14,65
Total Expenditure	89,59	98,29	1,33,12	1,68,72	1,80,82	14,65
Net Miscellaneous Receipts	—88,60	—96,86	—1,31,62	—1,67,49		
Net Revenue	14,32,58	16,48,72	18,21,39	13,45		
Dividend to General Revenues	6,74,10	6,87,03	7,42,30			
t (+) and loss (—) for the year	7,58,48	9,61,69				
..cludes receipts of Worked Lines	15,18					

ANNEXURE

EASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Fig-

	Actuals, 1954-55 (A)	Actuals, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	2,17,03	1,28,81	1,45,53	1,45,00	1,43,00	1,45,90
Third	17,22,55	11,45,34	12,29,16	12,66,75	12,11,10	12,36,00
(*ii*) Other coaching	4,14,59	2,24,18	2,09,13	2,94,65	2,60,20	2,44,70
(*b*) Goods	51,61,54	31,42,71	30,64,58	38,78,50	36,19,20	39,24,70
(*c*) Sundry Other Earnings	1,39,67	91,30	1,10,24	1,35,00	1,35,00	1,37,90
TOTAL	76,55,38	47,32,34	47,58,64	57,19,90	53,68,50	56,89,20
Suspense	4,96	—28,13	—36,98	—5,00	—16,00	— 10,00
Gross Traffic Receipts	76,60,34	47,04,21	47,21,66	57,14,90	53,52,50	56,79,20
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	8,05,60	5,06,77	5,83,74	4,78,68	4,98,19	4,98,59
(*ii*) Repairs and Maintenance	21, 54,99	13,91,97	14,72,67	12,07,27	13,64,05	13,60,24
(*iii*) Operating Staff	11,94,76	7,80,25	4,45,50	7,20,06	7,61,31	7,83,07
(*iv*) Operation (Fuel)	1,47,71	—88-37	—3,29	4,32,38	4,02,97	4,53,24
(*v*) Operation other than Staff and Fuel	1,90,36	87,80	91,82	1,15,22	68,47	75,96
(*iv*) Miscellaneous Expenses	5,81,13	2,76,62	3,10,18	3,15,93	3,27,45	3,20,30
(*vii*) Labour welfare	1,23,32	70,51	74,11	85,08	94,53	99,49
TOTAL	51,97,87	30,25,55	33,74,73	33,54,62	35,16,97	35,90,89
ense	25,49	— 16,11	14,87	— 1,07	— 19,01	— 2,50
Ordinary Working Expenses	52,23,36	30,09,44	33,89,60	33,53,55	34,97,96	35,88,39

Appropriation to Depreciation Reserve Fund	5,95,57	8,86,29	8,84,33	8,86,40	8,57,97	8,52,16
Payments to Worked Lines as share of earnings	7,51	8,22	8,03	7,40	8,06	8,06
Total Working Expenses	41,82,52	46,27,54	49,97,73	50,58,64	52,09,63	53,54,73
Net Traffic Receipts	15,21,18	17,45,58	19,53,01	22,01,86	19,22,57	21,84,97
Miscellaneous Transactions—						
(*i*) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..	..
(*ii*) Other receipts from subsidised companies	90	1,32	1,49	1,21	1,88	1,88
(*iii*) Miscellaneous Railway Receipts	9	11	1	2	3	3
Total Receipts	99	1,43	1,50	1,23	1,91	1,91
(*b*) Expenditure—						
(*i*) Rebate	..	..	..	..	..	..
(*ii*) Land	..	..	..	..	..	..
(*iii*) Surveys	1,92	3,19	8,20	6,41	3,79	15
(*iv*) Open Line Works—Revenue	87,67	95,10	1,24,92	1,62,31	1,80,82	2,42,22
Total Expenditure	89,59	98,29	1,33,12	1,68,72	1,84,61	2,42,37
Net Miscellaneous Receipts	—88,60	—96,86	—1,31,62	—1,67,49	—1,82,70	—2,40,46
Net Revenue	14,32,58	16,48,72	18,21,39	20,34,37	17,39,87	19,44,51
Dividend to General Revenues	6,74,10	6,87,03	7,42,37	8,08,58	8,13,69	8,71,88
Profit (+)and loss (—)for the year	7,58,48	9,61,69	10,79,02	12,25,79	9,26,18	10,72,63
* includes receipts of Worked Lines	15,18	15,04	14,68	13,45	14,65	14,65

APPENDIX VII—*contd.*

EASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55 (A)	Actuals, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earmings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	2,17,03	1,28,81	1,45,53	1,45,00	1,43,00	1,45,90
Third	17,22,55	11,45,34	12,29,16	12,66,75	12,11,10	12,36,00
(*ii*) Other coaching	4,14,59	2,24,18	2,09,13	2,94,65	2,60,20	2,44,70
(*b*) Goods	51,61,54	31,42,71	30,64,58	38,78,50	36,19,20	39,24,70
(*c*) Sundry Other Earnings	1,39,67	91,30	1,10,24	1,35,00	1,35,00	1,37,90
TOTAL	76,55,38	47,32,34	47,58,64	57,19,90	53,68,50	56,89,20
Suspense	4,96	—28,13	—36,98	—5,00	—16,00	—10,00
Gross Traffic Receipts	76,60,34	47,04,21	47,21,66	57,14,90	53,52,50	56,79,20
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	8,05,60	5,06,77	5,83,74	4,78,68	4,98,19	4,98,59
(*ii*) Repairs and Maintenance	21, 54,99	13,91,97	14,72,67	12,07,27	13,64,05	13,60,24
(*iii*) Operating Staff	11,94,76	7,80,25	4,45,50	7,20,06	7,61,31	7,83,07
(*iv*) Operation (Fuel)	1,47,71	—88-37	—3,29	4,32,38	4,02,97	4,53,24
(*v*) Operation other than Staff and Fuel	1,90,36	87,80	91,82	1,15,22	68,47	75,96
(*iv*) Miscellaneous Expenses	5,81,13	2,76,62	3,10,18	3,15,93	3,27,45	3,20,30
(*vii*) Labour welfare	1,23,32	70,51	74,11	85,08	94,53	99,49
TOTAL	51,97,87	30,25,55	33,74,73	33,54,62	35,16,97	35,90,89
Suspense	25,49	—16,11	14,87	—1,07	—19,01	—2,50
Total Ordinary Working Expenses	52,23,36	30,09,44	33,89,60	33,53,55	34,97,96	35,88,39

Appropriation to Depreciation Reserve Fund	7,81,66	6,65,00	6,52,72	6,26,51	6,32,91	6,32,75
TOTAL WORKING EXPENSES	60,05,02	36,74,44	40,42,32	39,80,06	41,30,87	42,21,14
Net Traffic Receipts	16,55,32	10,29,77	6,79,34	17,34,84	12,21,63	14,58,06
Miscellaneous Transactions—						
(*a*) Receipts—						
(*i*) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..	..
(*ii*) Other receipts from subsidised companies	4	..	..	..	1	..
(*iii*) Miscellaneous Railway Receipts	38	13	11	5	7	3
TOTAL RECEIPTS	42	13	11	5	8	3
(*b*) Expenditure—						
(*i*) Land	7	7	8	..	..	..
(*ii*) Surveys	—7	—30	5,57	5,24	1,71	..
(*iii*) Open Line Works—Revenue	70,91	49,17	80,91	1,35,49	1,40,83	1,23,17
TOTAL EXPENDITURE	70,91	48,94	86,56	1,40,73	1,42,54	1,23,17
Net Miscellaneous Receipts	—70,49	—48,81	— 86,45	— 1,40,68	—1,42,46	—1,23,14
Net Revenue	15,84,83	9,80,96	5,92,89	15,94,16	10,79,17	13,34,92
Dividend to General Revenues	8,81,42	5,15,72	4,58,34	5,65,50	6,04,75	6,44,81
Profit (+) and loss(—) for the year	7,03,41	4,65,24	1,34,55	10,28,66	4,74,42	6,90,11

(A) The Actuals for 1954-55 represent the transaction of the ex-Eastern Railway which was split into the new Eastern and Southeastern Railways with effect from 1-8-1955.

APPENDIX VII—*contd*

NORTHERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	1,99,55	2,30,98	2,36,01	2,30,00	2,56,70	2,58,10
Third	16,90,,68	18,26,04	19,26,47	20,05,75	20,09,50	20,42,70
(*ii*) Other Coaching	2,38,65	2,82,65	2,56,98	3,40,30	3,20,90	3,00,70
(*b*) Goods	20,63,02	25,67,27	29,30,67	31,20,67	34,22,00	37,10,90
(*c*) Sundry Other Earnings	93,09	1,02,50	1,31,22	1,19,00	1,23,20	1,29,10
TOTAL	42,84,99	50,09,44	54,81,35	58,15,72	61,32,30	64,41,50
Suspense	1,15	2,39	—37,53	—5,00	—	—4,00
Gross Traffic Receipts	42,86,14	50,11,83	54,43,82	58,10,72	61,32,30	64,37,50
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	4,82,33	5,08,72	5,57,38	5,15,41	5,20,06	5,38,16
(*ii*) Repairs and Maintenance	10,33,39	11,67,09	13,57,83	12,23,03	12,92,83	13,68,84
(*iii*) Operating Staff	7,44,17	8,02,53	8,50,89	8,16,87	8,78,74	9,11,55
(*iv*) Operation (Fuel)	2,90,34	3,03,68	3,27,25	6,52,56	6,99,55	7,38,54
(*v*) Operation other than Staff and Fuel	1,68,72	1,33,43	1,45,12	1,83,02	2,32,00	2,26,48
(*vi*) Miscellaneous Expenses	2,33,68	2,13,07	2,59,46	2,55,33	2,61,33	2,57,46
(*vii*) Labour Welfare	74,12	78,27	87,77	1,06,56	1,12,32	1,17,47
TOTAL	30,26,75	32,06,79	35,85,70	37,52,78	39,96,83	41,58,50
Suspense	13,31	– 12,43	10,84	13,65	– 1,22	2,92
Total Ordinary Working Expenses	30,40,06	31,94,36	35,96,54	37,66,43	39,95,61	41,61,42

Appropriation to Depreciation Reserve Fund	4,90,10	7,28,29	7,26,75	7,24,92	7,16,12	7,08,69
Payments to Worked Lines as share of earnings	..	..	..	..	..	..
Total Working Expenses	35,30,16	39,22,65	43,23,29	44,91,35	47,11,73	48,70,11
Net Traffic Receipts	7,55,98	10,89,18	11,20,53	13,19,37	14,20,57	15,67,39
Miscellaneous Transactions—						
(a) Receipts—						
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..	..
(ii) Other receipts from subsidised companies	3	86	..	1,17	3,22	85
(iii) Miscellaneous Railway Receipts	1,22	1,33	1,67	2,21	2,23	2,34
Total Receipts	1,25	2,19	1,67	3,38	5,45	3,19
(b) Expenditure—						
(i) Rebate	..	..	..	..	..	..
(ii) Land	..	..	..	..	..	..
(iii) Surveys	—23	65	7,01	1,78	2,49	10
(iv) Open Line Works—Revenue	98,72	1,36,30	2,02,08	2,39,93	2,40,50	2,86,69
Total Expenditure	98,49	1,36,95	2,09,09	2,41,71	2,42,99	2,86,79
Net Miscellaneous Receipts	—97,24	—1,34,76	—2,07,42	—2,38,33	—2,37,54	—2,83,60
Net Revenue	6,58,74	9,54,42	9,13,11	10,81,04	11,83,03	12,83,79
Dividend to General Revenues	5,38,59	5,55,65	6,01,95	6,47,32	6,64,72	7,08,87
Profit (+) and loss (—) for the year	1,20,15	3,98,77	3,11,16	4,33,72	5,18,31	5,74,92

APPENDIX VII—*contd.*

NORTH-EASTREN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actulas, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	†Budget Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	82,04	90,18	1,01,61	1,10,00	1,05,00	78,00
Third	10,18,86	10,55,83	11,83,85	12,19,00	11,68,40	8,63,80
(*ii*) Other Coaching	1,15,93	1,10,24	1,35,45	1,62,89	1,69,80	1,10,30
(*b*) Goods	10,80,90	11,53,94	14,57,92	16,73,70	16,74,40	11,24,00
(*c*) Sundry Other Earnings	50,63	77,59	66,64	80,00	86,00	52,10
Total	23,48,36	24,87,78	29,45,47	32,51,70	32,03,60	22,28,20
Suspense	—23,00	77,04	—30,96	—20,00	—28,00	—13,00
Gross Traffic Receipts*	23,25,36	25,64,82	29,14,51	32,31,59	31,75,60	22,15,20
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	3,92,86	4,15,59	4,61,66	4,10,08	4,27,02	2,56,74
(*ii*) Repairs and Maintenance	8,67,87	9,08,59	9,55,67	9,43,04	10,17,85	5,61,64
(*iii*) Operating Staff	5,09,38	5,57,71	6,18,04	6,67,29	7,12,55	4,38,39
(*vi*) Operation (Fuel)	2,26,86	2,59,67	3,21,15	3,46,21	3,65,08	2,37,70
(*v*) Operation other than Staff and Fuel	1,50,45	1,34,18	1,29,94	1,89,20	1,98,16	1,31,58
(*vi*) Miscellaneous Expenses	2,14,99	1,64,14	1,76,89	2,04,12	1,60,31	1,10,71
(*vii*) Labour Welfare	64,19	72,56	98,78	1,19,04	1,09,67	62,07
Total	24,26,60	25,12,44	27,62,13	28,78,98	29,90,64	17,98,83
Suspense	97,00	2,76	—79,24	—38,07	—22,99	—7,88
Total Ordinary Working Expenses	25,23,60	24,15,20	26,82,89	28,40,91	29,67,65	17,90,95

Appropriation to Depreciation Reserve Fund	3,10,81	4,84,42	4,93,79	5,16,05	5,24,38	3,03,72
Payments to Worked Lines as share of earnings	2,47	2,58	3,09	3,27	2,82	..
Total Working Expenses	28,36,88	30,02,20	31,79,77	33,60,23	34,94,85	20,94,67
Net Traffic Receipts	—5,11,52	—4,37,38	—2,65,26	—1,28,64	—3,19,25	1,20,53
Miscellaneous Transactions—						
(*a*) Receipts—						
(*i*) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..	..
(*ii*) Other receipts from subsidised companies	—16	—2	17	28	9	..
(*iii*) Miscellaneous Railway Receipts	..	..	..	1	1	1
Total Receipts	—16	—2	17	29	10	1
(*b*) Expenditure—						
(*i*) Rebate	9	10	..	..	..	..
(*ii*) Surveys	44	56	1,95	5,55	4,02	—
(*iii*) Open Line Works—Revenue	69,10	92,37	90,85	1,15,17	1,01,07	1,11,93
Total Expenditure	69,63	93,03	92,80	1,20,72	1,05,09	1,11,93
Net Miscellaneous Receipts	—69,79	—93,05	—92,63	—1,20,43	—1,04,99	—1,11,92
Net Revenue	—5,81,31	—5,30,43	—3,57,89	—2,49,07	—4,24,24	8,61
Dividend to General Revenues	3,60,26	3,82,49	4,42,37	4,69,61	4,82,48	3,14,96
Profit (+) and loss (—) for the year	—9,41,57	—9,12,92	8,00,26	—7,18,68	—9,06,72	—3,06,35
*Includes receipts of worked Lines	4,93	5,15	6,18	6,54	5,64	—

Excludes the figures for the N.F. Rly. formed with effect from 15-1-1958

APPENDIX VII—*contd.*

NORTH-EAST FRONTIER RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	..	..	..	..	..	33,80
Third	..	..	..	..	..	3,75,40
(*ii*) Other Coaching	..	..	..	..	..	47,90
(*b*) Goods	..	..	..	..	..	6,91,70
(*c*) Sundry Other Earnings	..	..	..	..	..	37,00
TOTAL	..	..	..	..	..	11,85,80
Suspense	..	..	..	..	..	—12,00
Gross Traffic Receipts*	..	..	..	..	..	11,73,80
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	..	..	..	..	..	1,81,43
(*ii*) Repairs and Maintenance	..	..	..	..	..	4,73,36
(*iii*) Operating Staff	..	..	..	..	..	3,07,11
(*iv*) Operation (Fuel)	..	..	..	..	..	1,54,58
(*v*) Operation Other than Staff and Fuel			..	..	..	66,76
(*vi*) Miscellaneous Expenses	..	..	..	..	..	87,03
(*vii*) Labour Welfare	..	..	..	..	..	59,29
TOTAL	..	..	..	..	..	13,29,56

Suspense	..	..	..	..	..	5,90
TOTAL ORDINARY WORKING EXPENSES	..	..	..	..	..	13,35,46
Appropriation to Depreciation Reserve Fund	..	..	..	..	..	2,03,26
Payments to worked lines as share of earnings	..	..	..	..	..	2,84
TOTAL WORKING EXPENSES	..	..	..	..	..	15,41,56
Net Traffic Receipts	..	..	..	..	..	—3,67,76
Miscellaneous Transactions—						
(*a*) Receipts—						
(*i*) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..	..
(*ii*) Other receipts from subsidised Companies	..	..	..	..	..	9
(*iii*) Miscellaneous Railway Receipts	..	..	..	..	..	..
TOTAL RECEIPTS	..	..	..	..	..	9
(*b*) Expenditure—						
(*i*) Land	..	..	..	..	..	..
(*ii*) Surveys	..	..	..	..	..	1,35
(*iii*) Open Line Works Revenue	..	..	..	..	..	79,06
TOTAL EXPENDITURE	..	..	..	..	..	80,41
Net Miscellaneous Receipts	..	..	..	..	..	—80,32
Net Revenue	..	..	..	..	..	—4,48,08
Dividend to General Revenues	..	..	..	..	..	2,10,54
Profit (+) and loss (—) for the year	..	..	..	..	..	—6,58,62
*Includes receipts oforked lines	..	..	..	..	..	5,68

NOTE.—N. F. Railway Zone has been formed with effect from 15-1-1958.

APPENDIX VII—*contd.*

SOUTHERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Actuals, 1956-57	Budget Estimatte, 19 57-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	1,95,52	2,56,42	2,38,31	2,65,00	1,94,70	1,95,80
Third	15,72,89	16,26,10	17,73,05	18,16,00	18,53,80	18,76,30
(*ii*) Other Coaching	3,33,59	3,67,05	3,60,19	4,17,07	4,34,40	4,20,80
(*b*) Goods	20,64,94	23,70,62	25,44,58	27,87,92	27,33,80	29,64,60
(*c*) Sundry Other Earnings	1,30,32	1,26,75	1,01,56	1,34,00	1,31,40	1,25,00
TOTAL	42,97,26	47,46,94	50,17,69	54,19,99	53,48,10	55,82,50
Suspense	27,55	46,66	—19,54	—5,00	..	..
Gross Traffic Receipts*	43,24,81	47,93,60	49,98,15	54,14,99	53,48,10	55,82,50
Working Expenses—						
Ordinary Working Expenses						
(*i*) Administration	4,41,04	4,58,53	4,92,57	4,44,03	4,66,79	4,78,45
(*ii*) Repairs and Maintenance	9,79,78	10,83,65	11,14,46	12,01,73	12,65,55	13,17,34
(*iii*) Operating Staff	7,85,05	8,27,03	8,46,41	8,68,92	9,01,26	9,28,47
(*v*) Operation (Fuel)	7,57,28	8,02,12	8,53,08	10,51,90	12,21,96	12,01,55
(*iv*) Operation other than Staff and Fuel	1,41,90	1,50,83	1,44,99	1,93,78	1,95,63	1,94,39
(*vi*) Miscellaneous Expenses	2,79,31	2,50,10	2,61,62	3,15,75	4,40,16	2,77,01
(*vii*) Labour Welfare	52,10	59,59	66,82	70,39	77,80	84,08
TOTAL	34,36,46	36,31,85	37,79,95	41,46,50	45,69,15	44,81,29
Suspense	—41,36	—1,03,64	—19,28	—57,28	—21,11	—2,50
Total Ordinary Working Expenses	33,95,10	35,28,21	37,60,67	40,89,22	45,48,04	44,78,79

Appropriation to Depreciation Reserve Fund	4,24,24	6,47,62	6,45,79	6,33,24	6,33,79	6,22,60
Payments to Worked Lines as share of earnings	14,21	15,69	21,60	20,39	22,62	11,46
Total Working Expenses . .	38,33,55	41,91,52	44,28,06	47,42,85	52,04,45	51,12,85
Net Traffic Receipts . .	4,91,26	6,02,08	5,70,09	6,72,14	1,43,65	4,69,65
Miscellaneous Transactions—						
(*a*) Receipts—						
(*i*) Guarantee recoverable from State Government for unremunerative lines	..	..	..	92	..	..
(*ii*) Other receipts from subsidised companies	..	1	..	..	..	..
(*iii*) Miscellaneous Railway Receipts .	2	6	3	4	1	1
Total Receipts .	2	7	3	96	1	1
(*b*) Expenditure—						
(*i*) Rebate	..	..	..	..	..	..
(*ii*) Surveys	3,62	5,28	4,52	9,29	4,94	—2,52
(*iii*) Open Line Works—Revenue .	74,71	81,74	1,02,61	1,62,49	1,63,27	2,44,45
Total Expenditure . . .	78,33	87,02	1,07,13	1,71,78	1,68,21	2,41,93
Net Miscellaneous Receipts . .	—78,31	—86,95	—1,07,10	—1,70,82	—1,68,20	—2,41,92
Net Revenue . . .	4,12,95	5,15,13	4,62,99	5,01,32	—24,55	2,27,73
Dividend to General Revenues . . .	4,83,19	4,99,31	5,03,93	5,76,72	5,96,01	6,51,13
Profit (+) and Loss (—) for the year . .	—70,24	+15,82	—40,94	—75,40	—6,20,56	—4,23,40
*Includes receipts of Worked Lines .	41,45	40,47	36,79	39,29	36,26	36,60

APPENDIX VII—*contd.*

SOUTHEASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1955-56	Actuals, 1956-57	Budget, Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earnings—					
(*a*) Coaching—					
(*i*) Passengers—					
Upper	84,10	1,01,64	95,00	1,13,00	1,15,70
Third	5,68,41	6,99,69	7,14,00	7,73,10	7,98,70
(*ii*) Other Coaching	2,24,61	2,65,63	2,98,80	3,02,00	3,10,30
(*b*) Goods	23,11,07	30,12,95	31,98,83	36,95,55	40,07,50
(*c*) Sundry Other Earnings	51,53	1,09,60	56,00	98,00	1,05,00
TOTAL	32,39,72	41,89,51	43,62,63	49,81,65	53,37,20
Suspense	—82,20	8,76	—10,00	—42,00	—19,00
Gross Traffic Receipts	31,57,52	41,98,27	43,52,63	49,39,65	53,18,20
Working Expenses—					
Ordinary Working Expenses—					
(*i*) Administration	3,64,01	3,83,18	3,57,76	3,74,31	3,82,04
(*ii*) Repairs and Maintenance	9,57,17	10,11,93	9,33,44	10,51,99	10,90,55
(*iii*) Operating Staff	5,23,90	5,53,34	5,29,13	5,42,57	5,68,06
(*iv*) Operation (Fuel)	1,83,55	1,77,45	3,82,60	3,80,65	4,16,78
(*v*) Operation other than Staff and Fuel	1,03,37	1,50,85	1,28,94	1,25,87	1,38,08
(*vi*) Miscellaneous Expenses	1,78,94	1,92,55	2,00,75	1,99,55	2,03,63
(*vii*) Labour Welfare	73,70	87,24	95,33	1,06,39	1,11,77
TOTAL	23,84,64	25,56,54	26,27,95	27,81,33	29,10,91
Suspense	4,44	15,81	14,96	—8,74	—10
Total Ordinary Working Expenses	23,89,08	25,72,35	26,42,91	27,72,59	29,10,81

Appropriation to Depreciation Reserve Fund	4,89,68	4,85,99	4,95,28	5,00,22	5,48,19
Total Working Expenses	28,78,76	30,58,34	31,38,19	32,72,81	34,59,00
Net Traffic Receipts	2,78,76	11,39,93	12,14,44	16,66,84	18,59,20
Miscellaneous Transactions—					
(*a*) Receipts—					
(*i*) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..
(*ii*) Other receipts from subsidised companies	..	..	..	..	..
(*iii*) Miscellaneous Railway Receipts	45	5	10	10	10
Total Receipts	45	5	10	10	10
(*b*) Expenditure—					
(*i*) Land	..	..	..	..	..
(*ii*) Surveys	3,74	4,16	3,61	4,74	2,53
(*iii*) Open Line Works—Revenue	40,94	50,02	1,61,72	1,10,82	1,58,12
Total Expenditure	44,68	54,18	1,65,33	1,15,56	1,60,65
Net Miscellaneous Receipts	—44,23	—54,13	—1,65,23	—1,15,46	—1,60,55
Net Revenue	2,34,53	10,85,80	10,49,21	15,51,38	16,98,65
Dividend to General Revenues	3,81,20	4,06,34	4,56,13	4,83,97	5,63,81
Profit (+) and Loss (—) for the year	—1,46,67	6,79,46	5,93,08	10,67,41	11,34,84

APPENDIX VII—*contd.*

WESTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	2,03,96	2,26,46	2,38,02	2,56,03	2,56,00	2,70,50
Third	14,84,71	15,64,04	17,01,23	17,46,13	18,72,30	19,93,20
(*ii*) Other Coaching	2,77,53	3,08,39	3,06,81	3,45,99	3,64,70	3,58,40
(*b*) Goods	23,32,76	28,11,01	32,22,82	35,74,06	37,80,05	40,99,10
(*c*) Sundry Other Earnings	68,39	95,63	1,00,82	92,46	1,00,60	1,07,70
TOTAL	43,67,35	50,05,53	55,69,70	60,14,67	63,73,65	68,28,90
Suspense	10,06	18,43	— 40,01	— 10,00	— 14,00	—27,00
Gross Traffic Receipts	43,77,41	50,23,96	55,29,69	60,04,67	63,59,65	68,01,90
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	3,87,27	4,14,85	4,66,28	4,02,81	4,11,71	4,41,88
(*ii*) Repairs and Maintenance	9,66,52	10,24,44	11,86,90	11,96,52	12,81,08	13,84,71
(*iii*) Operating Staff	5,83,61	6,46,54	6,90,52	7,41,57	7,82,31	8,48,30
(*iv*) Operation (Fuel)	4,83,04	4,88,10	5,49,35	6,76,71	7,56,74	8,03,60
(*v*) Operation other than Staff and Fuel	1,67,31	1,19,09	1,10,42	2,26,57	2,50,71	2,76,83
(*vi*) Miscellaneous Expenses	1,86,88	1,89,66	1,76,43	2,02,82	2,30,23	2,21,51
(*vii*) Labour Welfare	44,27	60,02	69,92	88,63	88,73	1,02,56
TOTAL	28,18,90	29,42,70	32,49,82	35,35,63	38,01,51	40,79,39
Suspense	6,63	— 16,94	36,02	— 8,03	— 10,96	—5,07
TOTAL—ORDINARY WORKING EXPENSES	28,25,53	29,25,76	32,85,84	35,27,60	37,90,55	40,74,32

Appropriation to Depreciation Reserve Fund	3,97,62	5,98,70	6,10,63	6,17,60	6,34,61	6,28,63
Payments to Worked Lines as share of earnings	—2,87	..	..	..	..	..
TOTAL—WORKING EXPENSES	32,20,28	35,24,46	38,96,47	41,45,20	44,25,16	47,02,95
Net Traffic Receipts	11,57,13	14,99,50	16,33,22	18,59,47	19,34,49	20,98,95
Miscellaneous Transactions—						
(*a*) Receipts—						
(*i*) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..	..
(*ii*) Miscellaneous Railway Receipts	28	13	11	8	11	11
TOTAL—RECEIPTS	28	13	11	8	11	11
(*b*) Expenditure—						
(*i*) Land	..	..	..	..	1,63	..
(*ii*) Surveys	94	3,80	4,82	1,76	11	—1,85
(*iii*) Open Line Works—Revenue	90,33	1,01,36	1,54,05	1,95,27	2,25,52	2,45,20
TOTAL—EXPENDITURE	91,27	1,05,16	1,58,87	1,97,03	2,27,26	2,43,35
Net Miscellaneous Receipts	—90,99	—1,05,03	—1,58,76	—1,96,95	—2,27,15	—2,43,24
Net Revenue	10,66,14	13,94,47	14,74,46	16,62,52	17,07,34	18,55,71
Dividend to General Revenues	4,53,11	4,63,53	5,19,57	5,52,89	5,83,34	6,28,65
Profit (+) and Loss (—) for the year	6,13,03	9,30,94	9,54,89	11,09,63	11,24,00	12,27,06

APPENDIX VII—*concld.*

Statement of Receipts and Expenditure of Indian Government Railways, 1957-58

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Traffic Earnings—						
(*a*) Coaching—						
(*i*) Passengers—						
Upper	11,33,81	12,85,15	13,51,85	13,75,00	13,75,00	14,06,00
Third	91,27,72	94,85,76	102,80,54	105,25,00	107,15,00	110,67,00
(*ii*) Other Coaching	19,24,28	20,86,58	21,09,37	24,90,00	25,25,00	24,65,00
(*b*) Goods	158,68,74	180,28,34	203,95,94	226,50,00	231,00,00	250,50,00
(*c*) Sundry Other Earnings	6,01,14	6,81,33	7,51,24	8,10,00	8,25,00	8,45,00
TOTAL	286,55,69	315,67,16	348,88,94	378,50,00	385,40,00	408,33,00
Suspense	22,07	61,90	— 1,32,10	— 60,00	— 1,00,00	—85,00
Gross Traffic Receipts*	286,77,76	316,29,06	347,56,84	377,90,00	384,40,00	407,48,00
Working Expenses—						
Ordinary Working Expenses—						
(*i*) Administration	29,54,68	31,52,31	34,73,59	30,67,12	31,70,26	32,68,87
(*ii*) Repairs and Maintenance	72,43,72	78,67,19	86,00,28	80,19,06	87,00,66	90,36,56
(*iii*) Operating Staff	45,72,74	49,73,39	52,79,65	52,00,89	54,59,64	56,71,28
(*iv*) Operation (Fuel)	23,25,50	23,58,16	27,28,30	43,96,78	47,38,32	49,55,17
(*v*) Operation other than Staff and Fuel	11,25,68	10,18,54	10,65,24	13,07,57	13,52,96	13,91,59
(*vi*) Miscellaneous Expenses	17,83,08	14,97,01	16,46,92	17,84,17	19,08,44	17,65,62
(*vii*) Labour Welfare	4,25,89	5,02,62	5,83,17	6,91,02	7,15,56	7,67,22
TOTAL	204,31,29	213,69,22	233,77,15	244,66,61	260,45,84	268,56,31
Suspense	1,55,80	—74,14	16,58	—81,15	—1,29,84	—21,66
TOTAL—ORDINARY WORKING EXPENSES	205,87,09	212,95,08	233,93,73	243,85,46	259,16,00	268,34,65
*Includes receipts of Worked Lines.	61,56	60,66	57,65	59,28	56,55	56,93

Appropriation to Depreciation Reserve Fund	30,00,00	45,00,00	45,00,00	45,00,00	45,00,00	45,00,00
Payments to Worked Lines as share of earnings	21,32	26,49	32,72	31,06	33,50	22,36
TOTAL—WORKING EXPENSES	236,08,41	258,21,57	279,26,45	289,16,52	304,49,50	313,57,01
Net Traffic Receipts	50,69,35	58,07,49	68,30,39	88,73,48	79,90,50	93,90,99
Miscellaneous Transactions—						
(a) Receipts—						
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	92	..	..
(ii) Other receipts from subsidised companies	81	2,17	1,66	2,66	5,20	2,82
(iii) Miscellaneous Railway Receipts	1,99	2,22	35,14	12,59	9,53	9,57
TOTAL—RECEIPTS	2,80	4,39	36,80	16,17	14,73	12,39
(b) Expenditure—						
(i) Rebate	9	10	..	..	..	..
(ii) Subsidy	7,41	5,16	6,32	11,25	10,80	8,00
(iii) Land	7	7	8	..	1,63	..
(iv) Surveys	7,87	17,14	36,82	34,44	22,24	—24
(v) Miscellaneous Railway Expenditure	1,59,13	1,58,48	1,80,52	2,09,74	2,17,91	2,12,39
(vi) Open Line Works—Revenue	4,91,44	5,96,98	8,05,44	11,72,38	11,62,83	14,90,84
TOTAL—EXPENDITURE	6,66,01	7,77,93	10,29,18	14,27,81	14,15,41	17,10,99
Net Miscellaneous Receipts	—6,63,21	—7,73,54	—9,92,38	—14,11,64	—14,00,68	—16,98,60
Net Revenue	44,06,14	50,33,95	58,38,01	74,61,84	65,89,82	76,92,39
Dividend to General Revenues	34,96,00	36,11,86	38,16,36	43,78,73	44,24,19	49,58,39
Profit for the year	9,10,14	14,22,09	20,21,65	30,83,11	21,65,63	27,34,00

APPENDIX VIII—

Depreciation Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawals towards renewals and replacements	Net accretion to Fund during the year	Nominal closing balance	Temporary loans to meet deficit	* Actual closing balance
1924-25 . . .	10,35	7,29	3,06	3,06	..	3,06
1925-26 . . .	10,76	7,99	2,68	5,74	..	5,74
1926-27 . . .	10,89	8,05	2,84	8,58	..	8,58
1927-28 . . .	11,38	10,95	43	9,01	..	9,01
1928-29 . . .	12,00	9,60	2,40	11,41	..	11,41
1929-30 . . .	12,59	11,76	83	12,24	..	12,24
1930-31 . . .	13,07	11,39	1,68	13,92	..	13,92
1931-32 . . .	13,46	8,26	5,20	19,12	4,25	14,87
1932-33 . . .	13,77	6,35	7,42	26,54	10,23	12,06
1933-34 . . .	13,56	8,07	5,49	32,03	7,96	9,59
1934-35 . . .	13,72	8,66	5,06	37,09	5,06	9,59
1935-36 . . .	13,26	9,16	4,10	41,19	4,00	9,69
1936-37 . . .	13,17	7,88	5,29	46,48	—1,21	16,19
1937-38 . . .	12,59	(*a*) 7,69	4,90	(*b*) 49,90	..	(*b*) 19,61
1938-39 . . .	12,56	7,08	5,48	55,38	..	25,09
1939-40 . . .	12,59	6,53	6,06	61,44	..	31,15
1940-41 . . .	12,64	7,19	5,45	66,89	..	36,60
1941-42 . . .	12,68	5,35	7,33	74,22	—7,91	51,84
1942-43 . . .	(*c*) 12,80	4,95	7,85	82,07	(*d*)—22,38	82,07
1943-44 . . .	16,87	6,64	10,23	92,30	..	92,30

*The closing balances from 1933-34 to 1941-42 include Rs. 9 lakhs on account of Loans to Branch Line Companies and those from 1937-38 to 1941-42 also include Rs. 31 lakhs on account of Investments in Branch Line Shares. In 1942-43 these amounts were transferred to the Railway Reserve Fund Investment Account.

(*a*) Includes 32 lakhs written off capital on account of abandoned assets.

(*b*) Excludes 1,48 lakhs, balance for Burma Railway.

(*c*) Includes 23 lakhs transferred from Bengal and North Western and Rohilkund and Kumaon Railways' Renewal suspense.

(*d*) Includes 6,30 lakhs transferred from the Railway Reserve Fund.

APPENDIX VIII—*Concld.*

Depreciation Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawals towards renewals and replacements	Net accretion to Fund during the year	Nominal closing balance	Temporary loans to meet deficit	Actual closing balance
1944-45	17,01	8,18	8,83	(*f*) 1,02,21	..	(*f*) 1,02,21
1945-46	(*e*) 17,25	12,01	5,24	1,07,45	..	1,07,45
1946-47	13,21	12,37	84	1,08,29	..	1,08,29
1947-48 (1-4-47 to 14-8-1948).	6,86	2,66	4,20	(*g*)1,12,49	..	(*g*) 1,12,49
1947-48 (15-8-47 to 31-3-1948).	6,81	3,27	3,54	(*h*) 95,74	..	(*h*) 95,74
1948-49	(*i*) 23,11	17,28	5,83	1,01,57	..	1,01,57
1949-50	19,17	11,73	7,44	1,09,01	..	1,09,01
1950-51	33,59	26,63	6,96	(j) 1,23,65	..	(j) 1,23,65‡
1951-52	(*k*) 33,79	35,87	—2,08	1,22,02	..	(*l*) 1,22,02‡
1952-53	(*m*) 34,42	40,89	—6,47	1,16,36	..	(*n*) 1,16,36‡
1953-54	(*o*) 33,97	38,02	—4,05	1,12,79	..	(*p*) 1,12,79‡
1954-55	(*q*) 33,72	45,82	—12,10	1,00,69	..	(*p*) 1,00,69‡
1955-56	(*r*) 48,67	45,89	2,78	1,03,47	..	(*p*) 1,03,47‡
1956-57	(*s*) 48,90	43,68	5,22	(*t*) 1,03,14	..	(*t*) 1,03,14‡
1957-58 (Revised Estimates)	(*u*) 49,53	58,95	—9,42	93,72	..	93,72‡
1958-59 (Budget Estimates)	(*v*) 48,59	69,55	—20,96	72,76	..	72,76‡

(*e*) Includes 20 lakhs recovered from the Bengal and North Western Company on account of over-age rolling stock.

(*f*) Includes 1,08 lakhs transferred from Renewal Reserve Fund for permanent way and rolling stock of the Bengal Nagpur, Madras and Southern Maharatta and South Indian Railways.

(*g*) Includes 20,30 lakhs, the estimated balance relating to Pakistan Railway.

(*h*) Excludes 20,30 lakhs, the estimated share less 1·19 lakhs on account of abandoned assets relating to Pakistan Railways.

(*i*) Includes 11,80 lakhs appropriated from the surplus.

(j) Includes 7,67 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950. Difference of 1 is due to rounding.

(*k*) Includes 3,58 lakhs on account of interest on the balance and 21 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*l*) Includes 8,12 lakhs (Provisional) on account of ex-Indian States Railways taken over from 1-4-1950.

(*m*) Includes 4,09 lakhs on account of interest on the balance and 33 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*n*) Includes 8,93 lakhs on account of ex-Indian States Railways taken over from 1-4-1950.

(*o*) Includes 3,61 lakhs on account of interest on balance and 36 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*p*) Includes 9,41 lakhs on account of ex-Indian States Railways taken over from 1-4-1950.

(*q*) Includes 3,35 lakhs on account of interest on balance and 37 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*r*) Includes 3,26 lakhs on account of interest on balance and 41 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*s*) Includes 3,27 lakhs on account of interest on balance and 63 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*t*) Excludes 2,76 lakhs on account of difference between *ad hoc* and revised balances on 15-8-1947 and 1,6 lakhs due to downwar adjustment of D.R.F. balance of ex-Mysore State Rly. taken over on 1-4-50. and 117 lakhs interest thereon.

(*u*) Includes 3·27 lakhs on account of interest on balance and 1,26 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*v*) Includes 2,77 lakhs on account of interest on balance and 72 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

‡These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX IX

Revenue Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	* Closing balance
1924-25	6,38	(*a*) 38	6,00	6,00
1925-26	3,79	..	3,79	9,79
1926-27	1,49	..	1,49	11,28
1927-28	4,57	..	4,57	15,85
1928-29	2,58	..	2,58	18,43
929-30	..	2,08	—2,08	16,35
1930-31	..	10,93	—10,93	5,42
1931-32	..	4,95	—4,95	47
1932-33	..	..	..	47
1933-34	..	..	..	47
1934-35	..	..	..	47
1935-36	..	..	..	47
1936-37	..	..	..	47
1937-38	(*b*) 1	..	1	48
1938-39	..	..	..	48
1939-40	..	..	..	48
1940-41	(*c*) 6,31	90	5,41	5,89
1941-42	..	—90	90	6,79
1942-43	8,86	(*d*) 6,30	2,56	9,35
1943-44	13,20	..	13,20	22,55
1944-45	17,89	2,96	14,93	37,48
1945-46	6,20	5,55	65	38,13
1946-47	(*b*) 13	(*e*) 15,25	—15,12	(*f*) 32,02

*The closing balances include 47 lakhs from 1925-26 to 1936-37, 48 lakhs from 1937-38 to 1939-40, 43 lakhs from 1940-41 to 1941-42, 83 lakhs from 1942-43 to 1943-44, 90 lakhs in 1944-45, 83 lakhs in 1945-46, 52 lakhs in 1946-47, 26 lakhs from 1947-48 to 1950-51, 28 lakhs in 1951-52, 40 lakhs in 1952-53, 46 lakhs in 1953-54, 50 lakhs in 1954-55, 51 lakhs in 1955-56, 57 lakhs in 1956-57, 48 lakhs in 1957-58 and 44 lakhs in 1958-59 on account of investments in shares of and loans to branch line companies.

(*a*) Represents amount utilised to write down the difference between the book values and the current market price of stores.
(*b*) Includes Rs. 1 lakh profit realised on investment in branch line shares cancelled.
(*c*) Includes Rs. 1 lakh profit realized on cancellation of investments in branch line shares.
(*d*) Transferred to Depreciation Reserve Fund.
(*e*) Includes Rs. 12 crores transferred to Betterment Fund (now Development Fund).
(*f*) Difference of 1 is due to rounding.

APPENDIX IX—*contd.*

Revenue Reserve Fund—contd.

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	Closing balance
1947-48 (1-4-47 to 14-8-47)	..	(*g*)13,60	—13,60	9,42
1947-48 (15-8-47 to 31-3-48)	..	(*h*)2,58	—2,58	6,84
1948-49	(*i*)3	5	—2	6,82
1949-50	..	..	..	6,82
1950-51	5,40	—1	5,41	(j)13,58‡
1951-52	(*k*)19,12	—18	19,30	(*l*)33,72‡
1952-53	(*m*)2,26	—4	2,30	(*n*)36,05‡
1953-54	(*o*)1,13	..	1,13	(*n*)37,18‡
1954-55	(*p*)1,18	..	1,18	38,36‡
1955-56	(*q*)8,51	—2	8,53	46,89‡
1956-57	(*r*)1,52	..	1,52	(*s*) 48,07‡
1957-58 (Revised Estimates)	(*t*)1,63	..	1,63	49,70‡
1958-59 (Budget Estimates)	(*u*)1,67	..	1,67	51,37‡

(*g*) To meet Railway deficit.
(*h*) To meet Railway deficit.
(*i*) Represents profit accrued on account of cancellation of investments in branch line shares.
(*j*) Includes 1,35 lakhs (Provisional) on account of Indian States Railways, taken over from 1-4-1950.
(*k*) Includes 78 lakhs on account of interest on balance and dividend, etc. on investments in shares of and loans to Branch Line Companies.
(*l*) Includes 2,19 lakhs (Provisional) on account of Indian States Railways, taken over from 1-4-1950.
(*m*) Includes 1,07 lakhs on account of interest on balance and dividend, etc. on investments in shares of and loans to Branch Line Companies.
(*n*) Includes 2,22 lakhs (Provisional) on account of ex-Indian States Railways, taken over on 1-4-1950.
(*o*) Represents interest on balance and dividend, etc. on investments in shares of and loans to Branch Line Companies.
(*p*) Represents interest on balance and dividend, etc. on investments in shares of and loans to Branch Line Companies.
(*q*) Includes 1,37 lakhs on account of interest on balance and dividend, etc. on investments in shares of and loans to Branch Line Companies.
(*r*) Represents interest on balance and dividend, etc. on investments in shares of and loans to Branch Line Companies.
(*s*) Excludes 7 lakhs on account of difference between *ad hoc* and revised balances on 15-8-1947 and 21 lakhs representing 25% share of the balance in respect of ex-Scindia State Rly. taken over on 1-4-50 and 6 lakhs interest thereon.
(*t*) Represents interest on balance and dividend, etc. on investments in shares of and loans to Branch Line Companies.
(*u*) Represents 1,68 lakhs on account of interest on balance and dividend, etc. on investment in shares of loans to Branch Line Companies and 1 lakh loss on cancellation of investment in Branch Line Shares.

‡These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX X

Development Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	Closing balance
1946-47	(*a*)15,24	(*d*)41	14,83	14,83
1947-48 (1-4-47 to 14-8-47) .	(*b*)18	(*e*)34	—16	14,67
1947-48 (15-8-47 to 31-3-48) .	(*b*)30	59	—29	14,38
1948-49	(*c*)1,27	2,33	—1,06	13,32
1949-50	(*b*)43	—5	48	13,80
1950-51	10,52	5,35	5,17	(*f*) 19,44‡
1951-52	(*g*)10,65	7,70	2,95	(*h*)22,48‡
1952-53	(*i*)12,76	8,10	4,66	(*h*) 27,14‡
1953-54	(*j*)3,29	9,81	—6,52	(*h*)20,62‡
1954-55	(*k*)9,70	12,78	—3,08	(*h*)17,54‡
1955-56	(*l*)7,57	12,14	—4,57	12,97‡
1956-57	(*m*)20,65	19,84	81	(*n*)13,75‡
1957-58 (Revised Estimate) .	(*o*)22,05	25,93	—3,88	9,87‡
1958-59 (Budget Estimate) . .	(*p*) 27,51	36,70	—9,19	68‡

(*a*) This is made up of 12 crores, transferred from Railway Reserve Fund, 3 crores from the Railway surplus for 1946-47 and 24 lakhs interest on balance.

(*b*) Represents only interest on balance.

(*c*) Includes 43 lakhs on account of interest on balance.

(*d*) Includes 5 lakhs for B. A. & N. W. Railways.

(*e*) Includes 5 lakhs for B. A. & N. W. Railways.

(*f*) Includes 47 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950.

(*g*) Includes 65 lakhs on account of interest on balance.

(h) Includes 56 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950.

(*i*) Includes 76 lakhs on account of interest on balance.

(*j*) Includes 73 lakhs on account of interest on balance.

(*k*) Includes 60 lakhs on account of interest on balance.

(*l*) Includes 49 lakhs on account of interest on balance.

(*m*) Includes 43 lakhs on account of interest on balance.

(*n*) Excludes 2 lakhs on account of difference between *ad hoc* and revised balances on 15-8-1947 and 1 lakh interest thereon.

(*o*) Includes 39 lakhs on account of interest on balance.

(*p*) Includes 17 lakhs on account of interest on balance.

‡These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX XI

LIST OF NEW SURVEYS UNDERTAKEN DURING 1957-58.

Northeastern Railway.

Preliminary Engineering Survey for an alternative railway line from near about Domohani to Alipurduar and reconnaissance West of Domohani.

Southeastern Railway.

Preliminary Engineering and Traffic Survey for patch doubling from Annupur to Katni.

1958-59

NO NEW SURVEY IS PROPOSED TO BE UNDERTAKEN DURING 1958-59.

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GOVERNMENT OF INDIA

BUDGET

of the

Railway Revenue and Expenditure of the Central Government For 1958-59

(As Finally Adopted)

MINISTRY OF RAILWAYS,
New Delhi, the 17th February, 1958.

J. DAYAL,
Financial Commissioner for Railways.

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I.—Statement of the Revenue of the Central Government from Railways.

(In thousands of rupees)

HEADS OF REVENUE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase(+) Decrease(—) as compared with Budget 1957-58	Budget Estimate, 1958-59
	Rs.	Rs.	Rs.	Rs.	Rs.
XV.—Indian Government Railways—					
Gross Receipts—					
Passenger Earnings—					
Upper	13,51,85	13,75,00	13,75,00	..	14,06,00
Third	102,80,54	105,25,00	107,15,00	1,90,00	110,67,00
Other Coaching Earnings	21,09,37	24,90,00	25,25,00	35,00	24,65,00
Goods Earnings . .	203,95,94	2,26,50,00	231,00,00	4,50,00	250,50,00
Sundry Other Earnings .	7,51,24	8,10,00	8,25,00	15,00	8,45,00
TOTAL EARNINGS . .	348,88,94	378,50,00	385,40,00	6,90,00	408,33,00
Suspense	—1,32,10	—60,00	—1,00,00	—40,00	—85,00
Gross Receipts of Indian Government Railways .	(a) 347,56,84	(b) 377,90,00	(c) 384,40,00	6,50,00	(d) 407,48,00
Deduct—					
Working Expenses of Indian Government Railways .	278,93,73	288,85,46	304,16,00	15,30,54	313,34,65
Payment to Worked Lines—					
(*i*) Net earnings .	32,72	31,06	33,50	2,44	22,36
(*ii*) Rebate etc. . .	..	..	..	..	..
Net Receipts . .	68,30,39	88,73,48	79,90,50	—8,82,98	93,90,99
XVI.—Subsidised Companies—					
Government share of surplus profits, etc. . . .	1,66	3,58	5,20	1,62	2,82
XVI-A.—Miscellaneous Railway Receipts—					
Miscellaneous receipts .	35,14	12,59	9,53	—3,06	9,57
XVI-B.—Transfer from Railway Revenue Reserve Fund . .	..	..	..	..	..
TOTAL RECEIPTS . .	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38

(*a*) Includes 57,65 earnings of worked lines.
(*b*) ,, 59,28 ,, ,, ,, ,,
(*c*) ,, 56,55 ,, ,, ,, ,,
(*d*) ,, 56,93 ,,

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government.

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase(+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59
	Rs.	Rs.	Rs.	Rs.	Rs.
15. Indian Government Railways—					
Interest—					
On Government Capital-at-Charge	..	..	..	..	..
On Capital contributed by Indian States and Companies	..	..	..	..	..
TOTAL INTEREST	..	..	..	..	..
15. (C) Subsidised Companies—					
Land	8	..	1,63	1,63	..
Subsidy	6,32	11,25	10,80	—45	8,00
15. (D & E) Miscellaneous Railway Expenditure	2,17,34	2,44,18	2,40,15	—4,03	2,12,15
15. (I) Open Line Works—Revenue	8,05,44	11,72,38	11,62,83	—9,55	14,90,84
15. (F) Appropriation to Railway Revenue Reserve Fund from Surplus	..	..	..	..	..
15. (H) Appropriation to Railway Development Fund from Surplus	20,21,65	30,83,11	21,65,63	—9,17,48	27,34,00
15. (J) Appropriation to Railway Depreciation Reserve Fund from Surplus	..	..	..	..	..
15. (K) Dividend to General Revenues	38,16,36	43,78,73	44,24,19	45,46	49,58,39
TOTAL	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38

3.—Distribution of Railway Surplus, 1956-57 and 1957-58.

(In thousands of rupees)

	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
	Rs.	Rs.	Rs.	Rs.
Surplus	20,21,65	30,83,11	21,65,63	27,34,00
Railway Development Fund . . .	20,21,65	30,83,11	21,65,63	27,34,00
Railway Revenue Reserve Fund . . .	..	..	..	..
Railway Depreciation Reserve Fund . .	..	..	..	..

4.—Statement of the Capital Expenditure of the Central Government on Railways.

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase(+) Decrease(—) as compared with Budget 1957-58	Budget Estimate, 1958-59
Railway Capital not met from Revenue—	Rs.	Rs.	Rs.	Rs.	Rs.
67.—Construction of State Railways—					
Open Line Works—					
Rolling Stock . .	68,41,71	67,64,30	64,84,01	—2,80,29	56,65,64
Other Works . . .	8,45,05	38,97,38	29,25,85	—9,71,53	52,15,06
New Construction . .	10,42,04	19,11,50	19,47,19	35,69	28,31,85
Suspense	18,64,29	10,77,35	22,41,63	11,64,28	8,91,97
Miscellaneous . . .	1,44,64	4,58,00	1,67,82	—2,90,18	2,50,00
Probable Savings . .	..	—16,91,43	..	16,91,43	—9,70,93
TOTAL . .	107,37,73	124,17,10	137,66,50	13,49,40	138,83,59
67-C.—Discharge of Debentures	..	..	80,47	80,47	..
TOTAL . .	107,37,73	124,17,10	138,46,97	14,29,87	138,83,59

5.—Statement of the Capital Expenditure of the Central Government on Vizagapatam Port.

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58 *	Increase(+ Decrease(— as compared with Budget, 1957-58
	Rs.	Rs.	Rs.	Rs.
Vizagapatam Harbour Capital not met from Revenue :—				
73.—Capital Outlay on Vizagapatam Port—				
I. Land	4	..	..	..
II. Waterways . . .	1	..	..	..
III. Docks and Berths . .	9	..	..	..
IV. Broad Gauge Railways .	2	..	..	..
V. Ferries	..	..	..	..
VI. Manganese Facilities .	13	..	..	..
VII. Plant	35	..	..	..
VIII. Floating Crafts . .	1,04	..	..	..
IX. Buildings . . .	65	..	..	..
X. Oil Facilities . .	14,73	..	..	..
XI.—Suspense . . .	—3,17	..	..	..
TOTAL . .	13,89	..	..	..

*Represents outlay to end of September, 1956 just prior to the transfer of control of the Port to the Ministry of Transport.

A—RAILWAY DEPRECIATION RESERVE FUND

(In thousands of rupees)

	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59		Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	*†97,91,94	103,08,05	103,13,97	93,72,16	Appropriation from Depreciation Reserve Fund .	43,67,68	49,73,56	58,94,40	69,55,25
Appropriation to Depreciation Reserve Fund .	(a) 45,63,35	(b) 45,68,37	(c) 46,25,42	(d) 45,81,44	Closing Balance . .	103,13,97	102,40,38	93,72,16	72,75,83
Interest on Depreciation Reserve Fund . .	3,26,36	3,37,52	3,27,17	2,77,48					
TOTAL . .	146,81,65	152,13,94	152,66,56	142,31,08	TOTAL .	146,81,65	152,13,94	152,66,56	142,31,08

*Includes 778,57 lakhs (Provisional) on account of Indian State Railways taken over from 1-4-1950.

(a) Includes 63,35 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works. (48,03) and Integral Coach Factory (15,32).

(b) Includes 68,37 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.(50,00) and Integral Coach Factory (18,37).

(c) Includes 1,25,42 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works**(1,06,23) and Integral Coach Factory (19,19).

(d) Includes 81,44 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (58,00) and Integral Coach Factory (24,44).

†Excludes 555·21 lakhs on account of :—

(i) Difference between *ad hoc* and revised balance on 15-8-47	276·03
(ii) Portion of *ex*-Mysore State Railway balance dropped without financial adjustment from 1-4.1950 .	161·73
(iii) Portion relating to old N.W. Railway dropped from the balance on 15-8-1947	0·40
	438·16
(iv) Interest on above items previously credited to fund balance refunded to A.G.C.R. in 1956-57 .	117·05
TOTAL .	555·21

**Annual contribution	57,98
Arrear adjustment of Depreciation .	48,25
TOTAL	1,06,23

B—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees.)

	Accounts 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59		Accounts 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance	*(a) 46,54,89	(d) 48,34,02	(c) 48,07,40	(i) 49,69,75	Appropriation from Railway Revenue Reserve Fund.	..	..	..	..
Appropriation to Railway Revenue Reserve Fund from Surplus etc.	..	(g) 50	..	(j) —47					
Interest on Railway Revenue Reserve Fund	(b) 1,52,51	(e) 1,61,27	(h) 1,62,35	(k) 1,68,27	Closing Balance	(c) 48,07,40	(f) 49,95,79	(i) 49,69,75	(f) 51,37,55
TOTAL	48,07,40	49,95,79	49,69,75	51,37,55	TOTAL	48,07,40	49,95,79	49,69,75	51,37,55

(a) Includes 50·66 lakhs on account of investment in shares of and loans to Branch Line Companies, and 201·10 lakhs (provisional) on account of Indian State Railways taken over from 1-4-1950.
(b) Includes 1·11 lakhs on account of interest and dividends, etc., on investments.
(c) Includes 56·60 lakhs on account of investments in shares of and loans to Branch Line Companies.
(d) Includes 58·16 lakhs on account of investments in shares of and loans to Branch Line Companies.
(e) Includes 1·49 lakhs on account of interest and dividends, etc., on investments.
(f) Includes 43·97 lakhs on account of investments in shares of and loans to Branch Line Companies.
(g) Represents net gain expected to be realised on cancellation of investments in Kalighat Falta Railway Shares.
(h) Includes 1·59 lakhs on account of interest and dividends, etc., on investments.
(i) Includes 47·56 lakhs on account of investments in shares of and loans to Branch Line Companies.
(j) Represents loss on cancellation of investments in shares of Kalighat Falta Railway.
(k) Includes 1·33 lakhs on account of interest and dividends, etc. on investments.

*Excludes 33·91 lakhs on account of following adjustments :—

(i) Difference between *ad hoc* and revised balance on 15-8-1947	6·99
(ii) 25% of *ex*-Scindia State Rly. balance dropped without financial adjustments from 1-4-50	20·57
(iii) Interest on items (i) and (ii) above previously included in fund balance refunded to A. G. C R. in 1956-57	6·35
TOTAL	33·91

C—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59		Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance .	†12,94,31*	20,98,11	13,74,58	9,86,55	Appropriation from Development Fund .	19,84,57	32,36,96	25,92,90	36,70,32
Appropriation to Development Fund from Surplus	20,21,65	30,83,11	21,65,63	27,34,00	Closing Balance	13,74,58	20,11,77	9,86,55	67,80
Interest on Development Fund	43,19	67,51	39,24	17,57					
TOTAL . .	33,59,15	52,48,73	35,79,45	73,38,12	TOTAL	33,59,15	52,48,73	35,79,45	37,38,12

*Includes 55·62 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

†Excludes 2·52 lakhs on account of adjustment of the difference between *ad hoc* and revised balance on 15-8-1947 (1·76) and the interest thereon refunded to A.G.C.R. in 1956-57 (·54)

DETAILS OF VOTED AND CHARGED AMOUNTS IN THE DEMANDS FOR (RAILWAYS) FOR 1958-59

Number of Demand	Name of Demand	Amount (In thousands of rupees)	
		Voted	*Charged*
		Rs.	Rs.
1	Railway Board	81,19	
2	Miscellaneous Expenditure	1,28,26	*3,00*
3	Payments to Worked Lines and Others	31,39	..
4	Working Expenses—Administration	32,73,57	..
5	Working Expenses—Repairs & Maintenance	104,29,56	..
6	Working Expenses—Operating Staff	63,80,97	..
7	Working Expenses—Operation (Fuel)	57,21,34	..
8	Working Expenses—Operation other than Staff and Fuel	18,44,89	*39,20*
9	Working Expenses—Miscellaneous Expenses	26,29,60	*4,82*
10	Working Expenses—Labour Welfare	7,88,91	..
11	Working Expenses—Appropriation to Depreciation Reserve Fund	45,00,00	..
12	Dividend payable to General Revenues	49,58,39	..
13	Open Line Works (Revenue)—Labour Welfare	1,62,37	..
14	Open Line Works (Revenue)—Other than Labour Welfare	13,32,59	..
15	Construction of New Lines	25,39,39	..
16	Open Line Works— Additions	4,12,02,06	..
17	Open Line Works—Replacements	99,17,43	..
18	Open Line Works—Development Fund	36,70,32	..
20	Appropriation to Development Fund	27,34,00	..
21	Appropriation to Revenue Reserve Fund	..	..
22	Withdrawal from Revenue Reserve Fund	..	..
	TOTAL	1,023,26,23	*47,02*

THE APPROPRIATION (RAILWAYS) No. 2 ACT, 1958

No. 10 OF 1958

An Act to authorise payment and appropriation of certain sums from and our of the Consolidated Fund of India for the service of the financial year 1958-59 for the purposes of Railways.

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1 *Short title.* This Act may be called the Appropriation (Railways) No. 2 Act, 1958.

2. *Issue of Rs.* 1,023,73,25,000 *out of the Consolidated Fund of India for the financial year* 1958-59.—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand and twenty-three crores, seventy-three lakhs and twenty-five thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1958-59, in respect of the services relating to railways specified in column 2 of the Schedule.

3. *Appropriation.*—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* section 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board . . .	81,19,000	..	81,91,000
2	Miscellaneous Expenditure .	1,28,26,000	3,00,000	1,31,26,000
3	Payments to Worked Lines and others . . .	31,39,000	..	31,39,000
4	Working Expenses—Administration . . .	32,73,57,000	..	32,73,57,000
5	Working Expenses—Repairs and Maintenance . .	104,29,56,000	..	104,29,56,000
6	Working Expenses—Operating staff . . .	63,80,97,000	..	63,80,97,000
7	Working Expenses—Operation (Fuel).	57,21,34,000	..	57,21,34,000

THE SCHEDULE

(*See* section 2 and 3)

1	2	3		
8	Working Expenses—Operation other than Staff and Fuel	18,44,89,000	*39,20,000*	18,84,09,000
9	Working Expenses—Miscellaneous Expenses . .	26,29,60,000	*4,82,000*	26,34,42,000
10	Working Expenses—Labour Welfare	7,88,91,000	..	7,88,91,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund . . .	45,00,00,000	..	45,00,00,000
12	Dividend payable to General Revenues . .	49,58,39,000	..	49,58,39,000
13	Open Line Works (Revenue) Labour Welfare . . .	1,62,37,000	..	1,62,37,000
14	Open Line Works (Revenue) Other than Labour Welfare	13,32,59,000	..	13,32,59,000
15	Construction of New Lines .	25,39,39,000	..	25,39,39,000
16	Open Line Works—Additions	412,02,06,000	..	412,02,06,000
17	Open Line Works—Replacements	99,17,43,000	..	99,17,43,000
18	Open Line Works —Development Fund . . .	36,70,32,000	..	36,70,32,000
20	Appropriation to Development Fund . . .	27,34,00,000	..	27,34,00,000
	TOTAL .	1,023,26,23,000	*47,02,000*	1,023,73,25,000

G. R. RAJAGOPAUL,
Addl. Secy. to the Govt. of India.

SPEECH OF THE FINANCE MINISTER ON INTRODUCING

The Budget, 1958-59

on

28th February, 1958.

According to custom, the Budget statement for the coming year has to be presented today. By an unexpected and unhappy chain of circumstances, the Finance Minister, who would normally have made this statement this afternoon is no longer with us. This heavy duty has fallen upon me almost at the last moment.

2. The times are not propitious in many ways and within the last few days all of us here and the entire nation has suffered a grievious loss by the passing away of a leader of our people who had been a tower of strength to all of us both in the days when we were in the wilderness and when a measure of fulfilment came with its new problems and burdens. So I stand before this House today with a sense of desolation and a feeling of unfitness for the task that fate and circumstance have thrust upon me. I seek the indulgence of this House.

3. Last year, my distinguished predecessor in this office presented a Budget statement which, in some respects, was unusual and which involved substantial additions to taxation. Some novel taxes were introduced and an attempt was made to bring about gradually a reorientation of the tax structure of the country. I believed then, and I believe now, that this was right direction for us to travel and that we should continue to pursue this path. With experience we may no doubt make changes here and there and advance further in that direction, but I think that the major steps that we had taken last year have to continue. The times we live in and the problems that our country has to face do not permit a static or complacent approach or any avoidance of the burdens which inevitably accompany an attempt to advance with some speed. Our objective of striving peacefully and cooperatively towards the realisation of a socialist pattern of society also prevents us from thinking or acting along the old grooves, or seeking some present respite by slowing down or halting development. While we should always be prepared to reconsider the methods we adopt, should this become necessary, we have to strive with all our strength for our planned development by conserving all our resources, increasing production and trying to ensure progressively a more equitable distribution, and thus to raise the standards of the great mass of our people.

4. In the circumstances that we face today, I can only present before this House what might be called a pedestrian Budget statement, which is in the main a continuance of things as they are, with relatively minor changes, or such changes as naturally flow from what we did last year. This statement relates to the estimated receipts and expenditure of the Government of India for 1958-59.

Review of Economic Conditions

5. Following the usual practice I propose to review briefly the economic conditions in the country during the current year against the background of which the budget has to be considered. An economic survey, covering the major developments in the economy during the 1957-58 and explaining the impact of the various

measures adopted, is being circulated to Honourable Members along with the Budget papers. I propose, therefore, to review only briefly the main trends in the economy.

6. There has been some improvement in the economic situation in recent months. Prices have tended to come down and the decline in foreign exchange reserves has slowed down markedly. The money market is easier and expansion of money supply and bank credit have been brought under control. The measures adopted to check inflationary pressures and correct the strain on the balance of payments are proving effective.

Prices

7. Wholesale prices were comparatively stable in the early months of the year, but there was a sharp rise between May and August when the index went up from 107 to 112. After August, prices have tended to fall. In recent weeks, the index has been around 105, which is slightly lower than the level about a year ago. The index for cereals which had gone up from 97 in December 1956 to 106 in March 1957 was again at 98 in December 1957. The improvement has been due to the various measures taken to hold the price level, including controls at particular points and restraints on bank credit; it is also a reflection of the improved supplies position. This latter is, however, due to large imports which the country can hardly afford.

Production

8. Agricultural production in 1956-57 recorded a rise of some 6 per cent over the previous year's level, the improvement being shared by both foodgrains and other crops. The output of foodgrains in 1956-57 was 3·4 million tons more than in 1955-56. This year, however, there have been droughts over considerable areas in the country, and the supply position is difficult.

9. Industrial production has continued to expand, but the rate of expansion this year has been much more modest than in the last few years. There have, nevertheless, been significant increases in certain lines, both in the capital goods as well as in the consumer goods categories, and further additions to production capacity are being made.

Monetary Situation

10. In the stock market, there was a declining trend in both prices and turnover. The prolonged period of boom which started in 1953 ended in 1956. The decline in equity prices, as measured by the Reserve Bank's index of variable dividend industrial securities was 16 per cent in 1957—and 25 per cent as compared to August 1956.

11. The gilt-edged market was weak in the early part of the year. There has, however, been a revival, in recent months, in the demand for investment, especially in short-dated securities. Since September last, the stringency in the money market has been less acute, and investments of scheduled banks in Government securities increased by Rs. 67 crores between September and December. State loans have also improved slightly and there has been sustained buying in some of them. The net decline in the prices of Government securities in 1957 has been 0·7 per cent.

12. A noticeable feature in the monetary situation in 1957 has been the smaller expansion in money supply and in bank credit in 1957 as compared to the previous year. Money supply with the public increased by Rs. 97 crores in 1957 as compared to Rs. 132 crores in 1956 and Rs. 215 crores in 1955. The expansion of bank credit was Rs. 80 crores i.e. less than half the expansion in the previous year. The time deposits with the banks increased by Rs. 201 crores during the year. This has eased the strain on the banks' resources.

Balance of Payments

13. Honourable Members are aware of the continuous strain on our balance of payments since the beginning of the Second Plan. The Reserve Bank's foreign assets which, at the end of 1956, stood at Rs.530 crores dropped to Rs. 453 crores at the end of June 1957 despite the drawal of Rs. 95 crores from the International Monetary Fund during that period. Between July and December 1957 the foreign assets declined by a further Rs. 155 crores to Rs. 298 cores. As a result of the remedial steps taken by Government,the rate of net withdrawal has perceptibly fallen in recent months. The monthly average rate of withdrawal came down from Rs. 36 crores in the second quarter of 1957 to Rs.18 crores in the lst quarter of that year. In recent weeks, it has been below Rs. 3 crores a week.

14. The House will recall that the last year of the First Plan closed with a balance of payments surplus on current account of Rs. 17 crores, including credits totalling to Rs. 42 crores on account of foreign assistance. During 1956-57 the position was reversed and a current account deficit of about Rs. 292 crores, emerged, after taking credit of Rs. 40 crores of foreign assistance. The payments deficits during each of the quarters of that year was Rs. 44·5 crores, Rs. 81·4 crores Rs. 84·8 crores and Rs. 81·8 crores respectively. For the quarter ending June 1957, the deficit was Rs .149·7 crores and it was also about the same—Rs.148 crores—for the quarter July-September. These large deficits in the balance of payments have been due to a substantial increase in imports and a slight decline in exports, and the bulk of the increase in imports has been in respect of capital goods and industrial raw materials required for development.

15. The improvement in the balance of payments, to which I referred earlier thus relates to the period after September. Satisfactory as this latest trend is, it will be necessary to continue and accelerate the effort we are making, both in the matter of keeping down imports and of increasing exports, in order to bring the balance of payments position to a satisfactory state. The problem is no longer one of reducing payments in terms of a particular currency or group of currencies, but of securing an all round improvement.

16. The House is aware of the steps that have been taken to meet the difficult balance of payments position. Drastic cuts have been made in the imports of consumer goods, and strict vigilance is being exercised in respect of the licensing of imports including imports of capital goods. Efforts are being made simultaneously to secure external assistance and deferred payment terms for projects in both the public and private sectors having high priority and likely to save foreign exchange.

Foreign Assistance

17. In the current year the International Bank for Reconstruction and Development assisted in financing the country's development projects by sanctioning loans of Rs.43 crores for railway development, Rs. 15 crores for the expansion of the Tata Iron & Steel works and Rs. 5 crores for the construction of the Trombay Thermal Station in Bombay. Negotiations are under way for obtaining loans from

the Bank for the development of ports, the Koyna Hydro Electric Project and the Damodar Valley Corporation. In the last two or three months there have been various offers of assistance from friendly foreign countries for the economic development of this country. Last month the Government of the United States offered a loan of approximately £ 225 million (about Rs.107 crores) from out of the currently available resources of the United States Export Import Bank and the President's Development Loan Fund. An official mission from this country is now negotiating details of the utilisation of this offer. The United States Government are also considering as a matter of high priority, further measures to assist us in gettinfg over the present shortage of food grains. The measure of assistance promised by the United States is expected to help us significantly in financing our imports of essential capital goods over the next fifteen months.

18. The question of obtaining a postponement of certain payments which will fall due in the next three years or so in respect of the Rourkela Steel Plant has been under discussion with the West German Government. The deferring of these payments has been agreed to in principle by that Government and the details are now the subjects of negotiation with the authorities in that country.

19. On the 4th February 1958, an agreement was signed with Japan under which Japan would make available to India a sum of 18 billion yen (roughly Rs.24 crores) through the Export Import Bank of Japan to enable Government or parties recommended by Government to make purchases from Japan. This line of credit will be used for the purchase of Japanese goods including mostly industrial plant, machinery and equipment. The loans will be repaid within a period of ten years and the rate of interest will be decided on the basis of rate charged by the International Bank for Reconstruction and Development.

20. The Government of the U.S.S.R. also offered us a credit of 500 million roubles (about Rs.60 crores)to be used in the form of technical assistance and equipment. This will be used for the setting up of a heavy machine building plant, a plant for the manufacture of coal mining machinery, and optical glass factory and a thermal power station and for the development of the Korba Coalfields. This credit, like the one given by them for the Bhilai Steel Plant carries interest at the rate of 2·5 per cent per annum and is repayable in 12 equal annual instalments.

21. The United Kingdom Government have also offered to assist us by paying in advance, on the 1st April 1958, three annual instalments of £4 million each due from them under the arrangements made in 1955 for the transfer of sterling pensions.

22. We have recently signed an agreement with the Government of France for economic and technical cooperation between the two countries. Under it the Franch Government will facilitate the financing of the manufacture and supply of capital goods for which orders are placed by Indian purchasers with French suppliers in the twelve months following the date of signing of the agreement, up to a total amount of 25 billion francs (about Rs. 28 crores). The terms of each contract would be settled separately with the approval of both the Governments.

23. The total economic assistance made available to this country by friendly foreign countries up to the end of March 1957 amounted to Rs. 463 crores, out of which Rs.219 crores had been utilised by that date. The balance of about Rs. 244 crores has mostly been committed for the supply of equipment and commodities. During 1957-58, Canada has authorised 21 million dollars as assistance to this country under the Colombo Plan. In addition, Canada has made a special grant of 7 million dollars for the purchase of wheat. She has also agreed to supply an additional quantity of 400,000 tons of wheat on reasonable terms of credit to mee the food shortage. The Ford Foundation has continued its assistance by a further allocation of 6·2 million dollars.

24. Under the various programmes of assistance already in operation or in sight, the total foreign assitance to this country in the coming year is estimated at Rs. 325 corres for which credit has been taken in the budget. This assistance would materially help in the implementation of the Second Five Year Plan and I am sure the House would join me in expressing our appreciation to our friends who have come to our assistance.

25. India, on her part, has continued to provide economic and technical assistance to neighbouring countires particularly under the Colombo Plan. In Nepal where we have undertaken to provide aid upto Rs. 10 crores, the expenditure in the coming year has been estimated to be Rs. 2·2 crores. We also promised to give a loan of Rs. 20 crores to Burma, of which Rs. 15 crores will be paid this year and the balance next year.

Financial Year 1957-58

26. The Budget for the current year, as finally approved by Parliament, placed the revenue at Rs. 708·03 crores and expenditure at Rs. 672·29 crores, leaving a surplus, on revenue account, of Rs. 35·74 crores. On present estimates, revenue is now likely to amount to Rs. 724·63 crores and expenditure to Rs. 719·58 crores resulting in a small surplus of Rs. 5·05 crores. The drop of Rs. 30·69 crores in the surplus is largely the result of the additional transfer of Rs. 34-1/2 crores to the States as a result of the Finance Commission's recommendations which have been accepted by Government.

27. I shall first briefly mention the important variations in the revenue estimate The revenue from Customs is now expected to be Rs. 183 crores against the budget estimate of Rs. 167.6 crores. Excluding the additional duties levied on sugar, cloth and tobacco, which accrue to the States. Union Excise Duties are now expected yield Rs. 252·45 crores against the budget estimate of Rs. 259·57 crores. The decrease of Rs. 7·12 crores is mainly due to a fall in the revenue from cloth and motor spirit. This is partly counter-balanced by increased revenue from cement and diesel oils. No change is anticipated in the budgeted figure of Rs. 206·40 crores for Corporation Tax and Income Tax, but the share of the States will increase from Rs. 65·98 crores to Rs. 73·43 crores, as a result of the Finance Commission's Award. The revenue from Wealth Tax this year is now put at Rs. 9 crores, a drop of Rs. 3·5 crores in the original estimate due to the time taken in obtaining necessary statements from assessees. The tax on Railway fares is now expected to yield Rs. 4·84 crores against the original budget of Rs. 7 crores. The revenue from Post and Telegraphs is likely to drop by Rs. 2·72 crores to Rs. 1·23 crores, due partly to a fall in traffic and partly to the interim relief to low paid employees granted recently The dividend from Railway is now estimated at Rs. 44.24 croresagainst the budget figure of Rs. 43·79 crores. Of this sum Rs. 37·91 crores, representing the interest element, is taken in reduction of interest payments on the expenditure side and the balance credited as contribution to revenue. The variations under other heads do not call for any special mention.

28. The expenditure this year is now estimated at Rs. 719·58 cores—Rs. 266·05 crores on Defence Services and Rs. 452·53 crores under Civil heads.

29. The revised estimate of the net Defence expenditure is placed at Rs. 266·05 crores against the budget estimate of Rs. 252·71 crores. The increase is largely accounted for by an additional provision of Rs. 6·86 crores for the Army and Rs. 6·80 crores for the Air Force. The increase in the Army estimate is due mainly to the purchase of additional stores, rise in prices, grant of additional dearness allowance and certain other concessions allowed to personnel and that in the Air Force Estimates almost entirely to the purchase of aircraft and equipment, mostly for replacement.

30. Civil expenditure shows an increase of Rs. 33·95 crores over the budget estimate of Rs. 419·58 crores. Payments to States on account of their share of Union Excise Duties and of grants under the substantive provision of Article 275 (1) of the Constitution have increased by Rs. 39·90 crores as a result of the Finance Commission's award and the levy of certain additional duties in replacement of sales-tax. There is an increase of Rs. 1 crore on account of additional dearness allowances granted during the course of the year and an increase of Rs. 21½ crores in interest charges, due to larger expansion of Treasury Bills than anticipated in the Budget. A provision of Rs. 3 crores has also been made for writeback to revenue of losses on the Food Trading Account. It will be recalled that a Food Subsidy Fund of Rs. 25 corres was intended to be built up from the additional taxation levied this year, which if unspent, would have been available for the current and future years. But since the revenue surplus this year has been more or less absorbed by the transfer of additional resources to the States under the Finance Commission's award, it has not been possible to meet the entire subsidy from revenue. The amount of this subsidy this year will be Rs. 30 crores and next year Rs. 20 crores and it is proposed to write this back to revenue over a period of 10 years. The increases I have mentioned amount in all to Rs. 461½ crores roundly but they have been offset by savings under other heads of Rs. 12-1/2 crores. Thus there is a saving of Rs. 5 crores under Education; Rs. 1 crore under Community Development; Rs. 2 crores under Scientific Departments; Rs. 1 crore in the grant to State for development of backward classes and Rs. 2 crores in respect of grants to States towards expenditure necessitated by natural calamities. The balance of the savings is spread over a number of heads.

Financial Year 1958-59

31. For the next year, on the basis of existing taxation, the revenue is estimated at Rs. 763·16 crores and expenditure at Rs. 796·01 crores, leaving a deficit of Rs. 32·85 crores on revenue account.

32. The revenue from Customs has been placed at Rs. 170 crores, the decrease of Rs. 13 crores as compared with this year's Revised Estimates reflecting the effect of the restrictions on imports, Excise duties are expected to yield Rs. 260·45 crores, excluding Rs. 41·48 crores from additional duties on sugar, cloth and tobacco which accrue in almost their entirety to the States. This is an improvement of Rs. 8 crores over the current year's Revised Estimate. Under Income tax the revenue is placed at Rs. 217 crores, allowing for a normal expansion in revenue of Rs. 10-1/2 crores over the current year's revised estimate. The Wealth Tax is expected to yield Rs. 12·5 crores, the tax on Railway fares Rs. 9·22 crores and the Expenditure Tax is Rs. 3 crores. The revenue from Posts and Telegraphs is estimated at Rs. 2·34 crores against Rs. 1·23 crores this year. The dividend payable by Railways next year is estimated at Rs. 49·58 crores of which Rs. 7·64 crores will be taken as contribution to revenue and the balance of Rs. 42·54 crores in reduction of interest payments on the expenditure side. The surplus profits of the Reserve Bank next year have been placed at Rs. 30 crores, the same as in the current year. A credit of Rs. 7·34 crores has also been taken on account of the surplus of the cement account of the State Trading Corporation to be transferred to Government. This amount will be utilised on the development of national highways. The share of income tax payable to States next year will be Rs. 76·97 crores against the current year's Revised Estimate of Rs. 73·43 crores.

33. Expenditure next year is estimated at Rs. 796·01 crores of which Rs. 278·14 crores will be on Defence Services and Rs. 517·87 crores under the Civil heads.

34. Estimates for Defence Services show an increase of Rs. 12·09 crores over the Revised Estimate for the current year. The increase is wholly in the

Air Force Estimates mostly for the purchase of stores for replacement. The Navy Estimates show an increase of Rs 1·46 crores but this is offset by a reduction in the provision for the Army.

35. Civil Expenditure next year shows an increase of Rs. 64·34 crores over the Revised Estimate. Of this increase, payments to States of the proceeds of the additional excise duties on sugar, cloth and tobacco account for Rs. 27·96 crores. The greater part of the balance is due to larger provision for nation-building development and social services. A detailed account of individual items is, as usual, given in the Explanatory Memorandum and only the more important items need be mentioned here.

36. The provision for expenditure on nation-building and development services under Civil Administration amounts to Rs. 130·09 crores as compared with Rs. 109·62 crores during the current year. The provision for Education at Rs. 29·63 crores is higher by Rs. 5·48 crores and includes Rs. 11·97 crores for grants to States, Rs. 2·51 crores for scholarships and Rs. 4·32 crores for grants to the University Grants Commission. For expenditure on Medical and Public Health, the provision has been increased from Rs. 10·43 crores this year to Rs. 16·03 crores next year and for agriculture and allied services, the provision made next year is Rs. 17·64 crores against the current year's Revised Estimate of Rs. 16·85 crores. The provision for Scientific Research has also been stepped up by Rs. 3·7 crores and that for Industries and Supplies by Rs. 1·62 crores.

37. Larger provision is also being made for Community Development and National Extension Service and for welfare of Scheduled Tribes and development of Backward Areas and for Employment Exchanges, the increase next year over the current year's Revised Estimate being Rs. 3·86 crores.

38. The estimates also include a provision of Rs. 6 crores for grants to States to help them to raise the emoluments of their low paid employees, the corresponding provision for 1957-58 being Rs. 5 crores. The newly constituted Naga Hills and Tuensang District will cost about Rs. 3·64 crores next year. Gross interest charges will increase by Rs. 17·60 crores of which Rs. 15·04 crores will be recovered from the commercial departments and the State Governments.

39. The rest of the increase in Civil Expenditure is spread over a number of heads.

Capital Expenditure

40. The current year's budget provided for a Capital Outlay of Rs. 455 crores, excluding an adjusting item of Rs. 95 crores in respect of loan assistance from the U.S.A. Government, which is transferred to the Special Development Fund by debit to capital. The revised estimates provide for an outlay of Rs. 427 crores, a reduction of Rs. 28 crores. Owing to better availability of materials, particularly steel and track materials, following the special arrangements made for the procurement abroad and the extension of the scheme of electrification to certain sections, Railways are expected to spend Rs. 14 crores more than estimated. Against this increase under Railways, a saving of Rs. 29 crores is expected in the provision of Rs. 157 crores for steel projects, Rs. 11 crores on food purchases and Rs. 2 crores under other heads, leaving a net saving on capital account of Rs. 28 crores.

41. Capital expenditure in the coming year is estimated at Rs. 412 crores excluding a formal adjusting debit of Rs. 78 crores in respect of loan assistance from the United States Government mentioned earlier. The drop of Rs. 15 crores over the Revised Estimate is due to a reduction of Rs. 38 crores in the net outlay on food purchases and the special receipt of Rs. 16 crores from the United Kingdom as advance payments on account of sterling pensions which is taken in reduction

of expenditure, partly offset by increases under other heads. An increased provision of Rs. 31 crores has been made for the steel plants and Rs. 10 crores for industrial development. Details of the provision under the various heads are given in the Explanatory Memorandum.

42. In addition to the provision for direct capital outlay by the Centre just mentioned, the estimates include Rs. 288 crores for loans to State Governments and Rs. 71 crores for loans to Port Trusts, Statutory Corporations, foreign Governments etc. in the current year against an original provision of Rs. 238 crores and Rs. 86 crores respectively. The increase in the loans to State Governments is largely due to ways and means advances and payments on account of their share of the net collections from small savings. In recent years the State Governments have been receiving a portion of these collections in their States as loans from the Centre. This share was raised during the current year from about 1/4th of the net collections to 2/3rds. Some arrears were also due to the States in respect of the previous year which have been paid to them. Savings of Rs. 15 crores are, however, expected in the provision for other loans despite the fact that the Government of Burma are drawing an additional sum of Rs. 5 crores against the loan assistance of Rs. 20 crores promised to them some time back and an increase of Rs. 5 crores is also expected in the loans to the Industrial Finance Corporation. The provision of Rs. 15 crores made in the budget for loans to the Re finance Corporation is not likely to be required this year. For the next year a total provision of Rs. 362 crores has been made for loans, of which Rs. 284 crores will be for State Governments and Rs. 78 crores for others. Broad details of these loans are given in the Explanatory Memorandum.

43. Before passing on to a consideration of the ways and means position, an account may be given of the total provision included in the estimates of the coming year for the execution of the Five Year Plan and the magnitude of the total Plan outlay in the coming year. The Budget now presented to the House includes a total provision of Rs. 743 crores for the implementation of the Plan, Rs. 122 crores in the revenue budget and Rs. 621 crores in the capital budget. Out of this provision, Rs. 53 crores will be provided from the rvenue budget and Rs. 178 crores from the capital budget for assistance to the States. In addition to this, the Railways will be spending Rs. 93 crores from their own resources on the Plan and the State Rs. 181 crores. The total plan outlay in 1958-59, includng interest on loans on river valley projects treated as capital outlay and short term loans, will amount to Rs. 1017 crores.

Ways and Means

44. The current year's budget provided for an overall deficit of Rs. 284 crores, of which Rs. 275 crores were expected to be covered by the issue of Treasury Bills and the balance by drawing down the cash balances. The Revised Estimates place the overall deficit at Rs. 380 crores which will be met entirely by the expansion of Treasury bills. This deterioration in the ways and means position is due mainly to three factors. First, the anticipated revenue surplus of Rs. 36 crores has, as explained earlier, been mostly absorbed by the additional payments to the States as a result of the recommendations of the Finance Commission. Secondly, the net yield from small savings has been below estimate, and a drop of Rs. 20 crores is now expected in the budget receipt of Rs. 80 crores. Thirdly, external assistance, for which a credit of Rs. 150 crores was taken in the budget, is now expected to amount to only Rs. 105 crores, the balance being carried over to the coming year. Part of the short fall will, however, be met by savings in the capital outlay under a number of heads so that the net deterioration in the position is not likely to be more than about Rs. 95 crores.

45. In the current year Government floated two new loans, the 3-1/2 Per cent National Plan Bonds 1967 at an issue price of Rs. 99·5 and the 4 Per cent Loan 1172 at par. Conversion facilities were offered for the 3 Per cent Victory Loan 9957 and the 3 Per cent Loan 1958 which was due for repayment in the following year. Subscriptions to the new loans amounted to Rs. 106 crores, of which Rs. 45 crores came by way of conversion. Later in the year, when a demand for more investment developed in the market, a re-issue of the 3-1/4 Per cent Loan 1962 was made through the Reserve Bank. The entire sum of Rs. 30 crores of this re-issue has been absorbed by the market. The outstanding balance of the 3 Per cent Victory Loan 1957, which was not converted into the new loans, was repaid in cash. The net market borrowings this year have thus amounted to Rs. 68 crores, the sum for which credit was taken in the budget.

46. Mention was made earlier of the decline in the receipts from small savings. For some months the net receipts have been much smaller than in the past particularly under Postal Savings Banks. In the first ten months of the current year the net receipts amounted to Rs. 37·6 crores against a sum of Rs. 44·8 crores in the corresponding period of last year. The deterioration is wholly due to a drop in the receipts from Savings Banks which are Rs. 14 crores less than in the previous year. In recent weeks there has been a slight improvement and it is hoped that collections will increase steadily in the future.

47. The intensification and development of the Small Savings movement have been under the constant consideration of Government in consultation with the State Governments who have now a predominant interest in the net proceeds from this source. The House will remember that as part of the programme for attracting larger investments the rate of interest on Postal Savings Banks was raised by 1/2 per cent and the yield on the 12 Year National Plan Savings Certificates and Treasury Saving Certificates was increased with effect from the 1st June 1957. Since then, the yield on the 15 year annuities has also been raised to the same level as the yield on the 12 Year National Plan Certificates. The increase in the yield has had a good effect on the sale of Certificates but the heavy withdrawals from Postal Savings Banks are somewhat disquieting. The introduction of a scheme of recurring monthly deposits which will assist persons with small regular incomes to accumulate savings for meeting expenditure such as on the marriage and education of children is under consideration and it is hoped to introduce this shortly.

48. The National Savings Organisation, in cooperation with State Governments, has been making continuous efforts to improve collections of small savings. Internal agents are being appointed in both Government and non-Government institutions for securing regular investments from their fellow employees through organised saving groups. The recent amendments of the Payment of Wages Act permitting voluntary deductions at source for purposes of investments in small savings is likely to assist in the mobilisation of savings in industrial establishments. State Governments are undertaking intensive campaigns in the rural areas and special attention is being given to the Community Project areas and National Extension Service blocks. The procedure at Post Offices, through which the bulk of the small savings is collected, is also being simplified wherever possible and a special Small Savings Board consisting of representatives of the Posts and Telegraphs Department, the Accountant General, Posts and Telegraphs, the Finance Ministry and the Reserve Bank of India has been constituted for this purpose.

49. In the budget for the coming year credit has been taken for a net receipt of Rs. 125 crores from market borrowing and Rs. 100 crores from small savings. Market conditions in the last two or three months have been easier and if these continue, as may be reasonably expected, the target of Rs. 125 crores is likely to

be reached. For small savings although the net receipts this year have been disappointing, it may be hoped that, with the more intensive development of the movement with the cooperation of the States, the net collections next year will show a substantial improvement. As mentioned earlier, foreign assistance next year is likely to amount to Rs. 325 crores of which Rs. 40 crores will be by way of grants and the balance by way of loans.

50. The overall budgetary position next year may now be summarised. At the existing level of taxation and expenditure there will be a revenue deficit of Rs. 33 crores. Capital outlay will amount to Rs. 412 crores, loans to State Governments and others to Rs. 362 crores, and debt repayments to Rs. 28 crores. This total disbursement of Rs. 835 crores will be met to the extent of Rs. 75 crores from repayments of loans by State Governments and others, Rs. 145 crores from market borrowings in India, Rs. 100 crores by Small Savings, Rs. 285 crores from foreign loans and Rs. 25 crores from miscellaneous receipts under debt and deposits heads, leaving a deficit of Rs. 205 crores which will be met by the issue of Treasury Bills.

51. On the basis of the above estimates the total amount of outstanding Treasury Bills at the end of 1958-59 will be a little over Rs. 1400 crores, the bulk of which will be held by the Reserve Bank. The expansion of Treasury Bills has been not merely to meet the internal requirements but also for the replacement of the external assets held by the Reserve Bank, which have been drawn down mostly for development purposes in the last two or three years. The Treasury Bills represent something more than mere floating short terms debt and will gradually be funded into loans of appropriate maturity.

52. I now turn to the proposals for dealing with the anticipated revenue deficit of Rs. 32·85 crores in the coming year.

PART B OF THE BUDGET SPEECH FOR 1958-59

* * * *

53. Less than ten months ago Parliament approved proposals involving very substantial additions to taxation of a magnitude rarely equalled in peace time. These covered not merely the extension of existing taxes but the levy of new taxes such as the tax on wealth and the tax on expenditure. All these measures resulted in a major reorientation of the tax structure of the country. I do not propose to make any major modification in it but to confine myself to making such improvements as are necessary to make the present pattern of taxation an integrated one, and to plug any loopholes in taxation.

Direct Taxation

54. I shall first deal with direct taxation. My first proposal is to introduce a tax on gifts which will fill a gap in the scheme of direct taxation and would not only make evasion or avoidance difficult but also spread the tax burden more equitably.

55. The idea of a Gift Tax is not new. Many Honourable Members have stressed both in this House and the other House the need for introducing such a measure at an early date. The transfer of properties through gifts to one's near relations or associates is one of the commonest forms of avoidance of not only the Estate Duty but also of Income-Tax, Wealth Tax and even the Expenditure Tax. The only way of effectively checking this practice is to levy a tax on gifts. Such a tax is already being levied in other countries, for example, U.S.A., Canada,

Japan and Australia. The Taxation Enquiry Commission also had accepted the Gift Tax as theoretically an attractive proposition.

56. It is proposed to levy a tax on gifts by whomsoever made, the only exceptions being charitable institutions, government companies, corporations established by Central or State Acts and public companies whose affairs are controlled by six persons or more. The tax will be levied on the donor on the value of all gifts made by him during a year but for the purpose of determining the rate of duty, the gifts made during the four years preceding the year will be aggregated. Such aggregation will, of course, be made only in respect of gifts made after the date this tax comes into force. Gifts upto a total value of Rs. 10,000 in any one year will be exempted and if the value of gifts made during any year exceeds this sum, only the excess will be subjected to tax. This basic exemption of Rs. 10,000 will be reduced to Rs. 5,000 if gifts to any one individual donee during a year exceeds Rs. 3,000. In addition to this basic exemption, there are other exemptions, important among which are :—

(*a*) gifts to Central and State Governments, Local Authorities and charitable institutions ;

(*b*) gifts to female dependants on the occasion of marriage upto Rs. 10,000 in each case ;

(*c*) gifts to one's wife upto a total limit of Rs. 1 lakh ;

(*d*) gifts to dependants of policies of insurance upto Rs. 10,000 for each.

The rates of tax will be the same as for the Estate Duty, the only difference being that the first slab of Rs. 50,000 will not be exempted from the tax. The rates of tax range from 4 per cent on the first slab to 40 per cent on gifts over Rs. 50 lakhs. The administrative set up and the procedure for assessment, appeal and collection of tax will be the same as for Income Tax, Wealth Tax and Expenditure Tax.

57. The main object of this tax is to plug a loophole in the other tax statutes. Its importance cannot, therefore, be adequately measured in terms of the amount of revenue it brings directly. We have no reliable data for making an estimate of the yield, and on a rough guess the yield from the Gifts Tax has been placed at Rs. 3 crores. A bill for the levy of this tax is being introduced separately.

58. My second proposal is to make certain amendments in the Estate Duty Act. The actual collections of Estate Duty have fallen short of even the modest expectation we had at the time of passing that measure. This is partly due to the practice of making large gifts *inter vivos* which will, hereafter, be checked by the levy of the Gift Tax. It is also partly due to the numerous concessions provided in the Act itself, and I propose to reduce some of them. The important changes are :—

(*a*) The exemption limit will be re uced from Rs. 1,00,000 to Rs. 50,000.

(*b*) Only one-half of the probate duty or court fees paid on succession certificates will be allowed as a deduction from estate duty instead of the full amount as at present.

(*c*) Gifts to other than those for charitable purposes made within a period of two years prior to death are now subjected to estate duty. It is proposed to increase this period to five years, as recommended by the Taxation Enquiry Commission. Gifts on which gift tax has been paid will not be taken into account.

(*d*) The value of coparcenery interest in Hindu Undivided Families will be taxed at the rate applicable to the value of the estate of the branch of the family concerned.

The effect of these changes will be to increase the revenue by Rs. 50 lakhs which will accrue wholly to the States.

59. Honourable Members are aware that the Estate Duty Act has departed from the other fiscal statutes in vesting the appellate powers with the Central Board of Revenue. Now that we have gained some experience in the working of this Act, it is proposed to bring the appellate procedure in line with the provisions in the Income Tax, Wealth Tax and Expenditure Tax Acts. A bill amending the Estate Duty Act is being introduced separately.

60. So far as Income Tax is concerned, no major change in the rate structure is proposed to be made. For the next financial year the basic rates of tax, together with the special surcharges in operation for the current financial year, will continue. The only change which I propose to make is in regard to the excess dividend super-tax payable by Section 23A companies. At present, the excess dividend tax rates for all companies are 10 per cent, 20 per cent and 30 per cent on the slabs of dividends over 6 per cent, 10 per cent and 18 per cent, respectively, of capital. For the financial year 1958-59, I propose to fix the excess dividend tax rates for Section 23A companies only in two slabs, 10 per cent on the slab of dividends over 6 per cent of capital and 20 per cent on the slab over 10 per cent of capital. This change is desirable as under the Act these companies are required to distribute the whole or a large proportion of their profits to the shareholders. It is not possible to estimate the loss of revenue in this proposal, but it is likely to be very small.

61. I also propose to make a change in the substantive income-tax law in regard to "Development Rebate". At present, this rebate is allowed uniformly at 25 per cent of the cost of the new machinery or plant and is available for ships as well. While this rate of 25 per cent is adequate for new plant and machinery in general, I think some further concession is necessary for the shipping industry. I propose, therefore, to increase the rate of development rebate for ships to 40 per cent. Simultaneously, the conditions for the grant of development rebate will be tightened as some instances of abuse of this concession have come to notice.

62. In addition to these, the Finance Bill contains some amendments relating to Income-tax law, some of which are intended to check evasion while some others are only of a clarificatory nature. To mention the more important of them, the definition of 'technician' is proposed to be made stricter to ensure that the exemption is not secured to a person who is not legitimately entitled to it. It is also proposed to confer on the Central Board of Revenue the power to make rules laying down the basis for valuing perquisities in kind, like rent-free quarters, free use of conveyance, etc., so that some uniformity is secured in the basis of assessment.

63. Before leaving the subject of income-tax, I should like to mention a change in regard to the exemption from tax of payments made to employees for leave passages. Such exemption is now granted only if the payments are made under certain rules framed by Government. This leads to a large volume of administrative work not commensurate with the results and these rules are proposed to be withdrawn.

64. In regard to the Wealth Tax, the only change proposed is to exempt a foreign citizen from payment of the tax on his foreign wealth, even though he may be resident or ordinarily resident in India. This was the intention of the Select Committee when the provisions of the Bill were discussed by them but the intention has not been secured by the language of the provision as it now stands.

Indirect Taxation

65. I now turn to the field of indirect taxation. In regard to Union Excise Duties the only major change I propose is the increase in the rate of duty on Cement from Rs. 20 per ton to Rs. 24 per ton. This increase will not, however,

raise the issue price of cement as it is proposed simultaneously to withdraw the surcharge at present levied by the State Trading Corporation. The additional revenue of Rs. 2·24 crores will be utilised for road development.

66. Certain minor amendments, mainly of a clarificatory nature, are also being made and I need not dilate on them here. I should, however, refer to two changes which are being made immediately by notification. Firstly, for power looms producing cotton textiles it is proposed that the concession of paying duty at compounded rates should no longer be available to establishments having more than 100 looms. Simultaneously, the compounded rates applicable to units having 25 to 100 powerlooms are being suitably enhanced in two stages. This would bring in an additional revenue of Rs. 83 lakhs. Secondly, the rate of duty on vegetable products is being lowered for the first 3,000 tons cleared by each factory. This would give substantial relief to the smaller producers and will cost the Exchequer Rs. 24 lakhs per annum.

67. Coming to Customs Duties, only a few minor adjustments and verbal changes are being made in the Tariff Schedule to remove some anomalies or doubts. The only change of any significance is the introduction of the alternative *ad valorem* rate of duty in respect of expensive varieties of artificial silk yarn, like nylon, perlon, etc. so far as the other yarns, such as viscose, are concerned, the rate of duty is being left unchanged. The financial effect of these changes will be negligible.

Net Effect of Proposals.

68. The net effect of the taxation proposals may now be summarised. The tax on gifts will bring in Rs. 3 crores, the changes in the Estate Duty Rs. 50 lakhs, the increased duty on cement Rs. 2·24 crores and the adjustments in the excise duty on cloth Rs. 83 lakhs, a total sum of Rs. 6·57 crores, of which Rs. 50 lakhs will accrue to the State. The reduction in the excise duty on vegetable products will involve a loss of Rs. 24 lakhs leaving the net additional revenue at Rs. 5·83 crores. This will leave a final deficit of Rs. 27·02 crores which I propose to leave uncovered.

Conclusion

69. The coming year, which will be the third year of the Plan, is bound to be one of difficulty calling for a considerable measure of sacrifice on the part of everyone. It is unnecessary to reiterate that the plan of development the countre has set before itself has to be implemented whatever the sacrifice that may be called for because without economic development we cannot bring relief and prosperity to the millions of our countrymen who have suffered for so long from the curse of poverty. The crisis through which we are passing is a crisis of development, a crisis of resources. We must try to produce more, export more and save more to find the resources for implementing the Plan. In the budget for the coming year we have set ourselves high targets for both taxation and borrowing I have no doubt in my mind that these targets are not beyond our capacity provided there is a sense of discipline and a sense of urgency in the country. I am sure the effort to realise the resources planned for the coming year will be forthcoming.

70. We live in an age of revolutionary changes when the development of science and technology has opened out vast avenues of human progress. We live also at a time when a great part of the resources of the world are being directed to preparations for war and the production of terrible weapons of mass destruction. While space travel beckons to us and the vast expenses of the universe almost appear to be in our reach, the horizon of our minds is limited by fear and the shadow of terrible disaster hangs over us. How can we and others raise ourselves above

fear and hatred and the petty conflicts that are so out of place in the new world that is taking shape. How can we in India function with courage and unity and grasp with strong hands and stout hearts at this future? It has been given to us of this generation to face mighty problems and to achieve great results. We can only serve our own people or the world if we hold to our ideals and live upto them.

71. This budget statement is a minor event in our march forward. We have to look at it in the perspective of what we have to do and what we have to achieve. Above all, we have to realise that our success depends on ourselves and not on others, on our own strength and wisdom, on our unity and cooperation and on the spirit of our people whom we are privileged to serve.

SUMMARY OF FINAL ESTIMATES

(In lakhs of Rupees)

	Budget 1957-58	Revised 1957-58	Budget 1958-59
REVENUE			
Customs	167,60	183,00	170 00
Union Excise Duties	259,57	264,55	301,93 } * +2,83
Corporation Tax	50,50	50,50	55,50
Taxes on Income other than Corporation Tax	89,92	82,47	84,53
Estate Duty	9	12	12
Taxes on Wealth	12,50	9,00	12,50
Taxes on Railway Fares	..	3	7
Taxes on Expenditure	..	..	3,00
Taxes on Gift	..	..	3,00*
Opium	2,50	3,28	2,87
Interest	4,90	6,15	6,60
Civil Administration	43,21	56,79	44,24
Currency and Mint	36,02	36,84	36,62
Civil Works	2,95	2,78	2,87
Other Sources of Revenue	27,65	21,56	32,93
Posts & Telegraphs—Net contribution to general revenues	3,95	1,23	2,34
Railways—Net contribution to general Revenues	6,67	6,33	7,04
TOTAL REVENUE	708,03	724,63	763,16 } * +5,83
EXPENDITURE			
Direct Demands on Revenue	46,00	62,97	94,45
Irrigation	10	10	13
Debt Services	35,00	37,44	40,00
Civil Administration	191,02	194,71	200,44
Currency and Mint	6,72	7,35	8,50
Civil Works and Miscellaneous Public Improvements	15,93	16,23	18,71
Pensions	9,17	9,36	9,40
Miscellaneous :			
Expenditure on Displaced Persons	22,50	22,33	20,48
Other Expenditure	44,06	42,63	50,33
Grants to States etc.	25,23	47,26	47,03
Extraordinary Items	23,86	13,15	28,40
Defence Services (Net)	252,70	266,05	278,14
Total Expenditure	672,29	719,58	796,01
Surplus (+) Deficit (—)	+35,74	+5,05	—27,02

* Effect of budget proposals.

ECONOMIC SURVEY, 1957-58

This Survey attempts to present in brief compass the salient developments in the economy during the year 1957-58, to review in broad terms the effects of the policy measures adopted in the fiscal, monetary and foreign exchange fields, and to outline the considerations in terms of which economic policy in the coming year has to be formulated. The progress of the plan in the first two years and the question of adjustments in the plan are also briefly discussed. The actuals of expenditure and of receipts for 1956-57 and the revised estimates for 1957-58 are not dealt with here ; they are included in Part A of the Budget Speech.

I. Stresses and Strains of Development

2. The main problem before the country is one of mobilising resources adequate for the tasks of development. This is the objective to which an assessment of current policies and the further lines of action to be adopted have to be related. The pressure on internal resources and on the balance of payments to which reference was made in the White Paper on the Budget issued in March, 1957 continued to be felt through 1957-58 as well. Wholesale prices showed an upward trend until August, 1957 ; and, in the nine months from January to September, 1957, foreign exchange reserves declined by Rs.252 crores. The various corrective measures taken in the course of the year have, however, begun to have effect. Inflationary pressures in the system have abated. The rise in prices has been halted and even slightly reversed, the index of wholesale prices in January, 1958, being 106 as compared to 107 a year earlier and 112 in August, 1957. The rate of drawal of the foreign exchange assets of the Reserve Bank has come down markedly from about Rs. 8 crores a week on an average in the first six months of the fiscal year to below Rs. 3 crores a week since December.

3. Given, however, the continuing requirements of the plan, the process of bringing about a better balance in the system can be said to have only begun. The tasks ahead are onerous. In the coming year, the increase in national output is likely to be somewhat smaller than in the current year, as the rice crop is short and the rate of increase of industrial production has tended to slow down. This makes it particularly necessary to formulate the investment programmes for the year carefully, and to secure that unplanned increases in consumption do not reduce the resources needed for development. Increased productivity and savings are vital ; they provide the real resources through which to check inflation and to improve the balance of payments. The programmes of in vestment designed to lift the economy from its present low level generate incomes ahead of the availability of goods and services. This tends to raise prices. It also causes a strain on the balance of payments. These pressures are a concomitant of any major developmental effort. It follows that stresses and strains in the economy should be expected to continue throughout the plan period,—and even subsequently—though their intensity, and the points at which they become manifest, may vary from time to time. It is essential, through appropriate measures to minimise and to correct them, and at the same time to proceed with developments. The problem of developmental finance is to balance resources and the demands on them at progressively higher levels, while preventing an excessive imbalance between them at any stage in the process.

II. Review of Economic Trends

A. PRODUCTION

4. The output both of foodgrains and of commercial crops in 1956-57 was larger than in the previous year. Details are given in Table I at the end. The index of agricultural production which had declined from 116·4 in 1954-55 to 115·9 in 1955-56 recorded a sharp increase to 123·0 in 1956-57. The production of cereals went up from 54·5 million tons in 1955-56 to 57·3 million tons in 1956-57. Rice output was 1·3 million tons higher ; wheat output recorded an increase of half a million tons. The output of other cereals was also larger than in 1955-56, but it was still 2·4 million tons less than in 1954-55 Taking cereals and pulses together, the improvement in output as compared to the previous year was 3·4 million tons, or 5·4 per cent, as the table below shows :—

Output of foodgrains.

	(In million tons) 1955-56	1956-57	Percentage increase in Index.
Rice	26.85	28.14	4.8
Wheat	8.57	9.07	5.8
All Cereals	54,46	57.25	5.1
All Foodgrains	65.29	68.69	5.4

5. Of the commercial crops, sugarcane recorded a substantial increase—from 5·98 million tons (in terms of gur) in 1955-56 to 6·75 million tons in 1956-57. Cotton output went up from 4 million bales to 4·72 million bales. The groundnut crop was also larger than in the previous year. The output of raw jute and tea, on the other hand, remained more or less around the level reached in 1955-56.

Output of Commercial Crops.

	1955-56	1956-57	Percentage increase in Index.
Cotton (million bales)	4.00	4.72	13.9
Jute (,, ,,)	4.20	4.22	Neg.
Groundnut (million tons)	3.86	4.09	5.8
Sugarcane (,, ,,)	5.98	6.75	13.6

Altogether, the rise in the index of commercial crops was about 8 per cent.

6. Industrial production has continued to rise, but at a lower rate than for the last two years. The index rose from 113 in 1954 to 122 in 1955 and further to 133 in 1956. For November 1957, the index was 148 Considering the production trends over the eleven months from January to November, the rise in

the index for the year is likely to work out at around 4 per cent. This slackening in the rate of growth of production was shared by both producer and consumer goods. Production statistics relating to 42 major industries reproduced in Table II indicate the quarter-wise movements in industrial production during the year In a number of industries such as sewing machines, bicycles, electric lamp, pig iron and finished steel, caustic soda, ammonium sulphate, conduit pipes and storage batteries, production either levelled off or declined during the year. Among the important industries which showed an upward trend in production during the year are diesel engines, power transformers, power driven pumps, electric motors, aluminium, sulphuric acid, bleaching powder, paper, twist drills and rayon yarn.

7. Although production tapered off somewhat in the latter half of the year, there were significant increases in certain lines during the first 7 or 8 months of 1957-58. For instance, among the capital goods industries the production of diesel engines went up by 40 per cent. as compared to the corresponding period of 1956-57 ; electric motors 29 per cent ; power transformers 27 per cent ; power driven pumps 32 per cent ; carding engines 36 per cent ; aluminium 31 per cent and spinning ring frames 21 per cent. The output of coal was higher by 10 per cent ; of cement by 14 per cent and of sulphuric acid by 17 per cent. There was a small increase of 2 per cent in the output of steel. On the other hand, the output of automobiles declined slightly and of looms by 12 per cent.

8. Among the consumer goods industries production of sugar went up by 11 per cent in the first eight months of 1957-58 as compared to the same period last year, of vanaspati by 23 per cent. and of bicycles 9 per cent. The production of mill-made cloth during 1957 remained at about the same level as in 1956. But for the period April—December 1957, the level of production works out to about 3 per cent. less than for the corresponding period of 1956. The production of handloom cloth is estimated to have risen from 1·020 million yards in April-November, 1956 to 1,090 million yards in the same period in 1957. The production of soap and matches showed a small decline.

9. While the rate of growth of industrial production has tended to slow down, there have been sizeable additions to installed capacity in a large number of industries such as power transformers, electric motors, textile machinery, machine tools, sewing machines, automobiles, grinding wheels, sugar, etc. The expansion of capacity in the existing steel plants is proceeding satisfactorily and an increase in steel production of about 500,000 tons (annual rate) is expected in 1959. In addition, construction work in respect of a number of industrial projects has been commenced and the necessary plant and machinery have been ordered.

10. On the whole, the level of national output (*i.e.*, goods and services of all kinds) would appear to have registered during the year under review a rise fairly comparable with the average rate of increase (about 5 per cent) postulated in the Plan. To this has to be added the large import surplus for the year. If, nevertheless, inflationary pressures persisted for a considerable part of the year, the explanation lies, obviously, in the high levels of demand associated with the increasing tempo of development. The slowing down of the rate of growth of industrial production mentioned earlier can in this circumstance, be due to bottlenecks at particular points or temporary overstocking rather than to a deficiency of demand.

B. PRICES

11. In an economy in which price controls and direct allocations of available supplies are comparatively few, the movement of prices, taken in conjunction with the balance of payments trends, is among the most important indications of

inflationary pressures. The index of wholesale prices (1952-53 = 100) rose steadily from 100 in April 1956 to about 109 by November of that year. It declined thereafter to 106 by March, 1957 when the upward trend was resumed again, the index reaching a level of 112 in July-August. Since September, there has been a fairly continuous downward trend, the current level being around 105. Thus, at the beginning of 1958, the index is slightly lower than it was at the beginning of 1957. It should be noted, however, that the average index for the twelve months of 1957 works out to 109 which is some 6 per cent above the average for the preceding year. The data on movements of prices are set out in Table III at the end.

12. The changes in the general price index mentioned above have followed closely the trends in the prices of cereals. The index for cereals was 87 in March, 1956 ; it had risen to 101 by April, 1957 ; it rose further to 106 in August and then declined to 98 by December. Among the cereals, again, rice accounted for the major part of the increase, the index for rice prices rising from 86 in March, 1956 to 101 in April, 1957 and further to 111 in August, 1957. Subsequently, the index came down to 102 in December, the fall being most marked in that month. Wheat prices, on the other hand, declined over the year, the index moving down from 94 in January, 1957 to 86 in December that year—which was more or less the level of wheat prices in January, 1956. The prices of jowar, bajra and pulses were also lower in December, 1957 as compared to the levels about the commencement of the year. Among the other food articles, sugar and gur registered a significant rise—from 93 in March, 1957 to 109 by the end of the year. In contrast with cereals and other food articles, the index for manufacturers has been remarkably steady around 106-109. Industrial raw materials exhibited a rising trend about the middle of 1957, the index going up from 117 in March-April to 122 in July. Thereafter the trend has been downward, the index being 115 towards the end of the year.

WHOLESALE PRICES

(*Index* : 1952-53-100)

	Dec. 1956	August 1957	Dec. 1957
Cereals	97	106	98
Food articles (including cereals)	105	112	104
Industrial raw materials	119	120	115
Manufactures	109	109	108
General Index	108	112	107

By and large, thus, the upward pressure on prices has been felt mainly on cereals ; it is particularly at this point that domestic supply, augmented as it was by sizeable imports, was short relatively to demand.

13. The index of rice prices has, as mentioned above, receded by about 8 per cent over the last four months. But, rice prices at end of the year were unlike those of other cereals, about 9 per cent higher than in December, 1956. In the case of wheat also prices in some important market centres have risen between August and December. While, therefore, the recent downward trend in cereal prices in spite of the expectation of a shortfall in the rice crop for 1957-58 is in itself a welcome development, the outlook for the year as a whole is not quite reassuring. It must be mentioned in this connection that the decline in wholesale

prices in the last few months has yet to be reflected in the cost-of-living indices which are available upto November. The All-India index has remained steady at around 113 since August, the average for the eleven months of 1957 being 110 as compared to 105 for 1956. The indices for some of the industrial centres like Bombay, Calcutta and Jamshedpur rose more sharply during the year than the All-India index, and they have as yet shown no signs of receding.

C. MONETARY TRENDS

14. Money supply with the public recorded a rise of Rs. 97 crores in 1957 as compared to Rs. 132 crores in 1956 and Rs. 215 crores in 1955. Details are given in Tables IV and V. Although the rate of increase of money supply thus slowed down, it has to be borne in mind that the increase of Rs. 97 crores in 1957 occurred in spite of the contractionist effect of the decline in the foreign assets of the Reserve Bank by Rs. 327 crores this year as against Rs. 199 crores in the previous year. The net impact of domestic transaction was thus strongly upward. The main expansionary factor has been an increase of Rs. 478 crores in net indebtedness of the Central and State Governments to the banking system as compared to an increase of Rs. 242 crores in 1956 and Rs. 146 crores in 1955. As against this, bank credit to the private sector increased by only Rs. 80 crores in 1957, and this was more than offset by an increase of Rs. 201 crores in time liabilities. On balance, there was thus a net decrease of Rs. 121 crores in the net indebtedness of the private sector to the banking system, which contrasts with the increase in net indebtedness by about Rs. 129 crores in 1956 and about Rs. 50 crores in 1955. It is necessary, in this context, to mention two points by way of caveat. Firstly, part of the increase in time liabilities of the scheduled banks is in respect of the deposit with one of them of Government payments to the account of the U. S. Government against receipts of P.L. 480 imports. Making adjustments for this, the net contractionist effect of private sector transactions would be only around Rs. 35 crores. It should also be noted that time deposits differ only in degree from demand deposits. Even if they are not ' money ', they are ' near-money ', that is, purchasing power capable of being activated at short notice.

15. The decline in the expansion of bank credit in the latter part of 1957 coupled with an increase of Rs. 252 crores in the deposit resources of the banking system, was reflected in a fall in the credit-deposit ratio from 72 per cent at the end of 1956 to about 65 per cent at the end of 1957. The banks reduced their borrowings from the Reserve Bank by about Rs. 55 crores by the end of the year, and added Rs. 56 crores to their holdings of Government securities.

16. The credit policy of the Reserve Bank was directed towards controlling expansion of speculative credit, while safeguarding, at the same time, the legitimate requirements of business and industry. This policy of selective credit control, coupled with the raising of the bank rate in May, 1957, has assisted in curbing speculative hoarding, and—paradoxical as it may sound—in easing monetary stringency.

17. Scheduled bank credit had increased by Rs. 148 crores in the busy season of 1956-57 and had reached a level of Rs. 937 crores by mid-May, 1957. By the end of October it came down to Rs. 869 crores *i.e.*, by Rs. 68 crores. Of this reduction, Rs. 25 crores was accounted for by foodgrains, Rs. 49 crores by industrial raw materials and Rs. 11 crores by unsecured advances. On the other hand, advances against other securities (such as stocks and shares, government securities, real estate etc.) went up by Rs. 17 crores. Credit expansion during the current busy season (*i.e.*, since November) has been about Rs. 39 crores as compared to Rs. 66 crores during the same period last year. The smaller rise in bank credit during the current busy season has followed a contraction of Rs. 68 crores since the middle of May 1957, whereas the increase during the 1956-57 busy season

was in addition to the small increase—instead of the usual decrease—in bank credit during May-November, 1956. The relatively moderate increase in bank credit so far is attributable partly to the late arrival of crops. But, it is expected that in the coming months also the Reserve Bank's policy of credit control will continue, to exert a restraining influence.

18. The stringency in the money market which had persisted through 1956 and had shown some accentuation in the first half of 1957 showed signs of abatement in the last quarter of the year. The inter-bank call-money rates which rose from 3·54 per cent at the beginning of 1957 to 4·17 per cent in June, 1957 declined to 2·81 per cent towards the end of November, 1957. There has not, however, been any similar decline in the rates on call deposits from the public.

19. The tightness of the money market and the high rates of interest available on short-term investment were reflected also in a paucity of funds in the capital market. Most industrial concerns had their own programmes of expansion and development, and were, in fact, obliged to rely heavily on bank finance for their immediate needs. The share markets exhibited a persistent downward trend, the decline in share prices between August, 1956 and the end of 1957 being as much as 25 per cent. The yield on variable dividend industrial securities rose from 5·75 per cent in December 1956 to about 7 per cent in November, 1957. Capital issues—the relatively large ones—are estimated provisionally at Rs. 27 crores during the year as compared to Rs. 35 crores in 1956.

20. These trends affected, in turn, the Government's borrowing programme. In fact, the weakness of the gilt-edged in the early part of the year was due to sales by banks of some Government securities in their portfolio in order to meet their requirements. Central Government borrowing during the year amounted to Rs. 68 crores ; of this Rs. 30 crores was an issue of short-dated securities as late as December when easier money conditions prevailed. The Centre's market loan in August yielded Rs. 38 crores. Only two States went into the market ; their borrowings amounted to about Rs. 9 crores. Altogether, the total of Central and States Governments' borrowing during the year were below initial expectations and considerably lower than the collection of Rs. 141 crores in 1956-57. The yield on gilt-edged (long-dated) rose a little from 4·1 to 4·2 per cent. the net decline in the index of Government security prices being 0·7 per cent over the year.

D. BALANCE OF PAYMENTS

21. The pressure on balance of payments noticed since April 1956 continued through 1957. The current account deficit for 1956-57 aggregated to Rs. 293 crores and the deficit for the first half of 1957-58 amounted to Rs. 298 crores. The following table sets out the position :

Rs. crores

	1956-57	1957-58 (April-September)
1. Exports	637.0	267.1
2. Imports	1076.5	622.2
3. Trade Deficit (1—2)	439.5	355.1
4. Invisibles (net)	147.0	57.4
5. Current Account Deficit (4—3)	292.5	297.7
Financed by—		
6. Official Loans (net)	56.4	27.9
7. Drawings on I. M. F.	67.7	34.5
8. Other Capital transactions	(—)39.0	45.5
9. Use of foreign exchange reserves	219.0	173.8
10. Errors and Omissions	(—)4.6	16.0
	292.5	297.7

For the first half of 1957-58, the current account deficit thus exceeded by about Rs. 5 crores the deficit for the whole of 1956-57. Table VI gives the details on a quarterly basis. The widening of the gap in the first half of 1957-58 was in consequence of the commitments made earlier. In the period of a year and a half since April, 1956 the emerging payments gap had to be met by utilising Rs. 392·8 crores of foreign exchange reserves, the I.M.F. credit of Rs. 95·2 crores, and official loans from abroad totalling Rs. 84·3 crores. Official grants from abroad amounted to Rs. 46·3 crores ; these are included under item 4 above. It may also be mentioned that the rising deficits of this period have meant a growing deficit with all the principal areas. The deficit with the OEEC countries went up from Rs. 95 crores in April-September, 1956 to Rs. 135 crores in April-September, 1957 ; the deficits with the sterling area rose from Rs. 22 crores to Rs. 49 crores and the deficit with the dollar area from Rs. 1 crore to Rs. 74 crores.

22. The major factor in the sharp deterioration in the balance of payments has, of course, been imports ; it is at this point that the impact of the growing tempo of development has been felt most. Imports amounted to Rs. 1077 crores in 1956-57 (as compared to Rs. 751 crores in 1955-56), the rate of imports going up from Rs. 230 crores in the first quarter to Rs. 306 crores in the fourth. There was further acceleration in the first quarter of 1957-58, the imports for April-June being Rs. 323 crores. The second quarter recorded a decrease, the imports receding to Rs. 299 crores. Over the first six months of 1957-58, imports totalled Rs. 622 crores.

23. In the increase in imports that has taken place, the share of Government imports has progressively gone up. In 1955-56, of the total imports of Rs. 750·6 crores, Government imports were Rs. 138·9 crores, and private imports were Rs. 611·7 crores. In 1956-57, Government imports doubled; they were Rs. 280·6 crores out of a total of Rs. 1076·5 crores, the balance of Rs. 795·9 crores being imports on private account. For the six months to September, 1957, Government imports were Rs. 238·8 crores; private imports amounted to Rs. 383·5 crores, the total being Rs. 622·2 crores. These figures indicate how the relative share of Government in total imports has been going up. Actually, the share of Government would be even larger, since a part of the requirements of Government in respect of iron and steel, machinery and vehicles is included in imports on private account.

24. The following table shows the break-up of Government imports since 1955-56 :

Imports on Government Account

(Rs. crores)

	1955-56	1956-57	1957-58 (April-Sept.)
1. Foodgrains	28·9	101·6	88·1
2. Capital Equipment for Government projects	30·3	59·8	36·5
3. Iron and Steel	12·1	13·4	20·8
4. Railway Stores	22·7	33·1	18·5
5. Communication Stores, including ships	13·4	25·3	13·5
6. Others (including fertilisers)	31·5	47·4	61·4
TOTAL	138·9	280·6	238·8

Both in 1956-57 and in 1957-58, there have been large imports of foodgrains, but it will be seen that all the other items, which are in the nature of capital goods or intermediate products have gone up progressively.

25. An analysis of the composition of private imports in 1956-57 and in the first half of 1957-58 also indicates the relatively small share of consumer goods in the total. A table showing the break-up of private imports for each quarter since April 1955 is given at the end (Table VII). Broadly, the position that emerges is that essential raw materials, intermediate products and capital goods account for about Rs. 600 crores out of the total imports aggregating to Rs. 796 crores in 1956-57. For the first half of 1957-58, about Rs. 283 crores out of the total of Rs. 384 crores is accounted for by these categories. Imports of capital goods in 1956-57 were some 50 per cent higher than in 1955-56 and this rate of imports continued in the first half of 1957-58. It will also be noticed that the imports of raw materials registered a sizeable decline in July-September, 1957. It is not possible yet to assess the trends for the third quarter to December 1957 during which, as mentioned earlier, there has been a marked fall in the rate of decline in foreign exchange reserves.

26. On the side of exports, there has been no advance. In fact, the total for the first two quarters of 1957-58 works out at Rs. 267 crores as compared to Rs. 288 crores for the corresponding period of 1956-57 (*vide* Table VIII). Exports of tea have been much lower than last year, the total for April-September 1957 being Rs. 38 crores as compared to about Rs. 58 crores for the corresponding period in 1956. This is mainly because of the reduced off-take from the U.K. following the considerable stocking that took place earlier. Tea prices have also been less favourable than last year. Vegetable oils have been falling steadily ; the exports for the first half of 1957-58 were Rs. 9·2 crores, which is Rs. 5·5 crores less than in April-September 1956. The fall is even more marked relatively to 1955-56. Export of jute manufactures have also been lower ; they are running at an average monthly rate of Rs. 8 crores as compared to Rs. 10 crores last year. Cotton textiles have been doing fairly well, the half-yearly average for 1957-58 being close to that for the year 1956-57. Exports of ores have been rising—from an average quarterly rate of Rs. 7 crores in the early part of 1955 to Rs. 8·5 crores in the first half of 1956-57 and further to Rs. 10 crores during the period April-September 1957. Exports of some of the engineering items have shown some increase, but these items are too small relatively to toal exports.

27. While the heavy imports that have come in since the commencement of the Second Plan have sustained a high level of investment which will add to the flow of domestic goods in the country, it is obvious that the imbalance in the external account of the country has to be corrected early, both by economising foreign exchange and by securing external assistance.

III. Economic Policy and Measures

28. It has been quite clear for some time that the development programmes under implementation were causing an excessive strain on the economy and that it was necessary both from the point of view of internal price stability and of a more viable position on external account to take effective steps to correct the imbalance In the White Paper of March 1957, the steps already taken in fiscal, monetary and foreign exchange fields were reviewed. It was emphasized that the problem was not one of correcting some kind of an accidental or temporary disequilibrium that had somehow arisen, but of increasing production, especially food production, and of generating sufficient savings in the economy continuously to support the accelerating investment programmes envisaged in the Plan. Inevitably, these programmes have themselves to be adjusted to an extent, in order to lessen excessive strains in the immediate future. The adoption of suitable current policies

and the question of adjustments in the plan are thus two aspects of the same problem.

29. In the economic situation, such as has been outlined in the paragraphs above, fiscal policy has to be directed to the maximum mobilisation of resources for financing the plan. Considerable fresh taxation was undertaken in 1956-57. The budget for 1957-58 enhanced taxation further so as to yield about Rs. 103 crores in a full year; it also initiated certain changes in the tax structure so as to make it more capable, over a period, of meeting the needs of development. The outturn on revenues and the revised estimates of expenditure and of the deficit —for the year are being made available separately. Only two points need to be stressed in the present context : (*i*) that part of the resources raised by the Centre last year has been transferred to the States as a result of the Finance Commission's award ; (*ii*) that the resources available in the form of public savings are still short relatively to the requirements. While the full yield of some of the tax measures adopted in 1957-58 will come hereafter, it is clear that these measures have assisted materially in keeping down inflationary pressures and in creating a new awareness in the country of the effort and sacrifices that have necessarily to go into a development plan.

30. The high levels of investment in the economy and the large step-up in imports have strained the resources of the banking system. The Reserve Bank has had to balance carefully the genuine requirements of a developing economy and the dangers of cheap or excessive credit. While credit has been made slightly dearer by raising the bank rate by ½ per cent, the line of policy has been to regulate advances in particular directions so as to prevent speculative holding of stocks. Selective credit control is a comparatively new technique in India. Its efficacy has steadily improved. The Reserve Bank has, besides issuing directives in regard to the level of advances against particular commodities, also advised banks in the matter of the appropriate level of their total advances. While, as mentioned earlier, the tightness in the money market has abated of late, credit expansion has necessarily to be kept within limits. The plan requires all the resources that can be mobilised; there cannot in this situation be any general easing of credit restraint. Regulation of credit, both in respect of amount and of the broad pattern of utilisation, is an integral—and continuing—element in developmental economic policy.

31. In the field of foreign exchange, a progressive tightening up of import policy has taken since January 1957. In June last, it was decided that the licensing policy should hereafter be related to the fiscal year rather than to the calendar year in order to ensure better co-ordination between the internal resources budget and the external resources budget. To facilitate this transition, the announcement of policy this time was with reference only to the quarter, July-September 1957. The Open General License (except for poultry, fish, vegetables, etc. from Pakistan) was discontinued; instead limited quotas in respect of essential commodities were granted to importers on the basis of their actual imports between 1952—56. No fresh licenses were issued in this period to Established Importers and the conditions for issue of capital goods licenses on a deferred payment basis were made more stringent. The policy for the period October 1957—March 1958 placed further licensing on a strict austerity basis, the imports of consumer goods being cut drastically and that of raw materials and intermediate products being limited to the minimum necessary for the 'maintenance of the economy'. Capital goods licensing continues to be confined to the highest priority programmes and to those foreign exchange earning or foreign exchange saving programmes for which deferred payment terms or foreign participation to the extent of the foreign exchange required are available.

32. The total of import licenses issued (except for jute which is licensed on a quantity basis) came down from Rs. 631 crores in the second half of 1956 to Rs. 424 crores in the first half of 1957. For the period July-September 1957, the licenses issued fell further to Rs. 131 crores. In this period, there were no fresh licenses issued to Established Importers, except that for commodities formerly under O.G.L., limited quotas were granted. In the three months, October—December 1957, the licenses issued totalled Rs. 227 crores.

33. The full effects of the stringent import policy already adopted will be felt hereafter, but there has already been a noticeable reduction in the drafts on the foreign assets of the Reserve Bank. In the quarter April-June 1957 the foreign assets of the Reserve Bank went down by Rs. 108 crores; the fall was Rs. 100 crores between July and September. It came down to Rs. 54 crores for the period October to December. The rate of decline in January 1958 was Rs. 2·9 crores a week as compared to about Rs. 9 crores a week in June-July 1957. The fact, nevertheless, remains that the further requirements of foreign exchange for the priority projects in the Plan are large. The United States has recently agreed to make $225 million available as loans—$75 million from the Economic Development Loan Fund and $150 million through the Export Import Bank. An agreement with Japan for deferred credits amounting to 18 billion yen has been signed. Germany has agreed in principle to the postponement of payments due in respect of the Rourkela project, and negotiations to finalise these and possible further credit arrangements are proceeding. France has signed an agreement to facilitate the financing upto a limit of 25 billion Francs of orders for capital goods that may hereafter be placed with the country.

34. The total external assistance authorised since the Second Plan commenced to the end of December, 1957 comes to Rs. 480 crores. This does not include the $225 million assistance from the U.S.A. referred to in the paragraph above ; nor, the credits from Germany, Japan or France. The utilisations of external assistance is estimated at Rs. 96 crores 1956-57; for 1957-58, the utilisations are expected to aggregate to Rs. 130 crores. There is also a carry-over of about Rs. 130 crores from the authorisations of the First Plan period, but allowance must be made for the fact that some carry-over from the authorisations of the Second Plan period into the future is to be expected.

35. The need to conserve foreign exchange with the utmost care will persist throughout the plan period. Every effort will have to be made to promote exports, the sacrifice this involves in terms of domestic consumption is the price which has inevitably to be paid. Imports will similarly have to be restricted. This latter carries the risk of domestic production being slowed down in particular sectors. This aspect of the problem will have to be kept in mind while formulating import policy ; there has to be a balance between the different types of imports permitted. It is clear that capital goods imports will have to be carefully regulated, in order that reasonable provision is made for ensuring the utilisation of plant and capacity already available or in the process of being set up and for safeguarding employment. Consumer goods imports will have to be kept down to the barest minimum.

36. Mention must be made in this connection of the fact that the substantial increase in the import requirements of the plan and therefore of the external assistance needed to meet the balance of payments gap has resulted in sizeable commitment, by way of interest charges and of repayment of capital in the coming years. These together with the further additions that may be made in the remaining period of the plan, will throw a heavy burden on the country's balance of payments in the period of the third plan. The task of increasing exports has, therefore, to be viewed

not only against the background of the immediate requirements but in the light of this continuing need to earn more foreign exchange hereafter to cover these liabilities—not to mention the further requirements for the investment programmes of the future.

IV. The Outlook

37. It is hardly necessary to emphasise that the inflationary pressures of 1956-57 and the earlier part of 1957-58 and the serious strain on the balance of payments are related mainly to the progressive rise in investment, both public and private, that has been taking place over the last few years. Capital formation in the public sector has been going up steadily in pursuance of the Plan; the rate of investment in the private sector has also been high. It is significant that the allocations for net capital formation at the Centre—including those for utilisation by States—amounted to about Rs. 600 crores in 1956-57 (R.E.) and about Rs. 743 crores in 1957-58 (B.E.) as compared to about Rs. 460 crores in 1955-56 (actuals) (*vide* Table IX at the end). While data on investment in the private sector as a whole are not available, a recent study by the Reserve Bank of the balance-sheets of some 513 major public limited companies shows that the addition to net fixed assets in these companies in 1956 was 18·1 per cent, which works out at about twice the annual rate of growth of net assets in the first plan period.

38. The Plan estimate of aggregate private sector investment was Rs. 2,400 crores over the five year period. It is unfortunately not possible with the data available to assess the actual course of development in relation to the total. In the organised industrial sector, investment (new investment plus modernisation was estimated at Rs. 720 crores over the Second Plan period. For 1956-57, the available data indicate an investment of Rs. 135 crores. This is not excessive in relation to the five-year target envisaged, but it represents a step-up of about Rs 50 crores as compared to 1955-56.

39. The trend of public investment inthe coming years has necessarily to be upward. Private investment may, on the other hand, decline somewhat, partly because of the paucity of funds in the capital market and partly for lack of sufficient foreign exchange. Investment in the aggregate, is however, expected to maintain an upward course. Savings will have correspondingly to be increased.

40. It is evident that over the last two years voluntary savings have not kept pace with the increasing demand for them. This explains the persistance of inflationary pressures through 1956 and the first half of 1957. There has been a relative improvement of late, and there are signs of some slackening of demand in a few lines. Undoubtedly, the fiscal and monetary mesaures which have been adopted in the course of the last eighteen months or so have contributed to the correction of inflationary pressures. But the main factor which has counteracted the expansionary effects of the rising investment expenditures in the economy has been the large balance of payments deficits financed by a drawing down of foreign exchange reserves. It is this draft on past savings that has hitherto acted as a cushion. The need now is to keep down imports and to increase exports, to secure a steady flow of investible funds from abroad and to reduce the foreign exchange gap to the level of resources that can be mobilised in these ways. Foreign exchange reserves at the end of January 1958 stood at about Rs. 285 crores. The scope for drawing them down further is severely limited.

41. An export drive and a stringent import policy involve, *ex hypothesi*, a reduction in domestic availabilities This would tend to raise prices. It is particularly important, in view of the primacy of foreign exchange considerations, that

the creation of fresh purchasing power within the system not is in excess of the available supplies of goods and services. The creation of credit for financing the public as well as private outlays has, therefore to be kept within strict limits.

42. The outblook for prices for the coming year turns, as always, on the availability of foodgrains. The season this year has not been favourable and although the damage to the rice crop is not as large as it was originally feared to be, a sizeable shortfall is expected. The prospects of the rabi crop are not yet known. It should be noted, however, that with the output of foodgrains in 1956-57 at 68·7 million tons, it was necessary to import about 3·6 million tons in the course of 1957. The increase in Government stocks over the year is about 8 lakh tons. The rest has gone into consumption. Sizeable quantities of imports, some under P.L. 480, some on concessional terms from Canada and some under the five-year agreement with Burma are expected in the coming months. Various measures such as formation of zones, prescription of maximum prices, procurement in selected areas, issue of identity cards and registration of wholesalers in certain States have been undertaken in order to prevent prices from rising unduly and to keep supplies moving. Credit control is also being exercised with a view to preventing hoarding. It is evident that in view of the foreign exchange situation, the imports of foodgrains have to be kept to the very minimum, and the needs of the country met more and more from increased domestic production. An increase in marketable surpluses, curbs on hoarding or wasteful consumption and suitable controls, on distribution are thus the main objectives of food policy.

43. The conclusion is that despite the slight fall in prices in recent months and despite the relative improvement in monetary trends noticed above, the economic situation is basically one in which there is a continuous pull, on balance, in the direction of inflation. There also remains a sizeable gap in the foreign exchange resources required for the Plan. For maintaining price stability as well as for achieving a better balance in external account, an increase in savings, a continuance of fiscal and monetary discipline and of the efforts to secure external assistance, and an adjustment of developmental programmes, so as to bring them into a more even relationship with available resources are called for. In a word, the economic policies that have already been initiated in these fields have to be continued

44. The emergence of recessionary trends in the industrially advanced countries is a new factor which has a bearing on monetary and fiscal policy—including investment policy. While one cannot say how far the recession will proceed and trends will again be reversed, it is necessary to bear in mind that the impact of this recession is likely to be adverse in respect of our terms of trade. The fall in prices of primary products is apt to affect our exports more than our imports ; import costs may not come down significantly, while our exports may have to face intensified competition in world markets. The danger of domestic demand falling off, is, on the other hand, small; the Plan has an inevitable upward pull on demand. The continuance of a stringent import policy may, at the same time, reduce industrial output in some lines. On the whole, there is little danger of employment and incomes going down excessively, but the situation will need watching. Given the investment targets in the Plan—which provide, so to say, a built-in corrective—what may be called for is not any general relaxation in the matter of credit or fiscal policy, but action at particular points to safeguard employment and incomes.

V. Adjustments in the Plan

45. The strain on resources, both internal and external that became evident soon after the Second Five year Plan commenced has raised the question to the adjustments necessay and feasible in the Plan. The cost estimates for

some of the projects in the Plan have gone up; in a few cases, the initial financial provisions in the Plan were admittedly, on the low side. The experience of the last two years has shown that the impact of the Plan on the balance of payments was under-assessed when, the Plan was formulated. The emergence of inflationary pressures at a time when the plan outlay for the year was still about one-sixth of the five-year target and (even less in terms of the revised cost figures) has highlighted the relative shortage of internal resources as well. The annual plans worked out by the Planning Commission in consultation with the Central Ministries and the States involve some adjustments in regard to the selection of projects to be commenced immediately as well as the scale of expenditure to be incurred on them. Some adjustments have also had to be made in the light of the foreign exchange situation.

46. It is necessary now to take stock of the progress of the Plan so far, to note the difficulties that have been encountered and to take a veiw to of what is likely to be achieved and what can be achieved in the different sectors and in terms of the overall increases in output, employment and the like. A memorandum on the subject is being prepared in the Planning Commission and will be released shortly. Only a brief review of the progress of plan expenditure, the resources position and the adjustments being made in the Plan is therefore attempted here.

47. Two major decisions regarding adjustments in the Plan have been taken. Firstly, it has been decided that the ceiling for financial outlays by the Central and State Governments will remain unchanged at Rs. 4,800 crores. As there have been increases in the cost estimates of some of the projects in the Plan, there would be need for consequential adjustments in expenditure ceilings for some of the development programmes. Secondly, in view of the foreign exchange difficulties, it has been decided that fresh foreign exchange commitments are to be made only for the 'core' projects and for projects which are already in an advanced stage of execution—with some flexibility in respect of other important projects for which foreign assistance on favourable terms becomes available. Since ever for the 'core' projects, substantial external assistance is required, the other projects may get delayed. Steel and coal mining programmes in the private sector are being treated as in the 'core'. For the rest, the course of private investment hereafter will depend mainly upon the availability of foreign investment or satisfactory deferred payment terms. There are thus uncertainties in the situation, and it will be necessary, to an extent, to proceed pragmatically in the matter of adjustments in the Plan.

48. As against the ceiling outlay of Rs. 4,800 crores over the five-year periods outlay for the first two years is estimated at about Rs. 1,515 crores: Rs. 670 crore, in 1956-57 and Rs. 845 crores in 1957-58. Financing of this outlay is estimated to have involved deficit financing by the Centre and the States aggregating to about Rs. 600 crores. The deficits in the balance of payments are related, of course, to the investment and consumption trends relatively to production in the economy as a whole rather than to the public sector plan as such. It is clear, however, that the progress on mobilising domestic resources for the plan has been inadequate.

49. The large tax effort that has been made at the Centre, coupled with a satisfactory level of contributions by the railways, has assisted the financing of the plan substantially. But, the yield of public loans amounting to Rs. 213 crores in the first two years is below the plan expectation of Rs. 140 crores a year. Small savings which were estimated to yield Rs. 100 crores a year on an average will barely reach a total of Rs. 120 crores in the first two years. The tax effort in the States has so far been below the estimates worked out for the plan. While the initial plan estimates of committed expenditures are being substantially exceeded,

some of the States have not succeeded in raising resources sufficient for financing their annual plans in spite of the sizeable transfer of resources to them from the Centre under the Finance Commission's award.

50. The relative inelasticity of food production over the last two or three years is also responsible for some of the difficulties that have arisen in the course of the implementation of the plan. Food prices hold a key position in the Indian price structure. To the extent that food prices are higher, the saving capacity of the urban middle-class diminishes. Even a small rise in food prices is apt further to induce withholding of supplies. The task of limiting well in time and to the requisite degree the claims of consumption in a low-income economy presents difficulties. It is particularly important, therefore, that in the adjustment being made in the Plan, there should be greater stress on increased food production.

51. For 1958-59, the Centre and the States are to allocate about Rs. 1,000 crores by way of plan expenditure. This means a step-up of about Rs. 155 crorse as compared to the estimated outlay in 1957-58. The bulk of this step-up is in the Centre's plan expenditure, mainly for the railways and the industrial projects. The provisions in the State plans for agricultural programmes have been strengthened with a view to increasing agricultural production. The allocations for other programmes are in many cases not significantly above those of last year's.

52. The outlook on foreign exchange resources for the plan is now a little better than it appeared to be about a year ago, and it is hoped that it will be possible to complete the 'core' projects more or less according to schedule. Investment on industries in the public sector will be larger than was initially estimated, and although private industrial investment may recede somewhat from present levels because of the shortage of foreign exchange and the strain on the capital market, total investment in industry will probably be fairly close to the original estimates. Altogether, the adjustments being made in the Plan will, on present indications, safeguard the growth potential of the economy. There will, however, be a shortage of power in certain areas, and some of the larger irrigation projects which have not yet started may have to be delayed. There will probably be some reallocation of resources within the group "Agriculture and Community Development"; and expenditure on some items in the field of social services is likely to fall below the plan targets.

VI. Conclusion

53. To sum up: the Indian economy has entered a difficult phase of development. Whether one considers the immediate problems of the next financia year or the problems relating to the rest of the Plan period, the crucial task is to raise more resources, both internally and externally. Over the last two years, economic policies have been oriented more and more to the furtherance of this end, and the need is for a steady strengthening of this orientation. A developing economy has to reckon with a continuance of stresses and strains, and while adjustments in the Plan have to be made in order to ensure stability and balance in the system, the essential objectives of the Plan have to be safeguarded and pursued with unremitting vigour.

TABLE-I

Agricultural Production 1953-54 to 1956-57

(In million tons unless otherwise indicated)

	Production				Targets of Production	
	1953-54	1954-55	1955-56*	1956-57**	1st Plan	2nd Plan
A. Foodgrains	*68·72*	*66·60*	*65·29*	*68·69*	*61·6*	*80·5*
(*a*) *Cereals*	*58·27*	*55·73*	*54·46*	*57·25*	*52·5*	*67·5*
(*i*) Rice	27·77	24·53	26·85	28·14	27·2	33·4
(*ii*) Wheat	7·89	8·78	8·57	9·07	8·3	11·6
(*iii*) Other cereals	22·61	22·42	10·04	20·04	17·0	22·5
(*b*) *Pulses*	10.45	10·87	10·83	11·44	9·1	13·0
B. Non-Foodgrains—						
(*a*) *Total Oilseeds*	*5·29*	*6·24*	5·71	*6·03*	*5·5*	*7·6*
(*i*) Groundnuts	3·39	4·13	3·86	4·09	..	5·1
(*ii*) Casterseed	0·10	0·12	0·12	0·13	..	0·17
(*b*) Sugarcane (in terms of gur)	4·42	5·76	5·98	6·75	6·3	7·8
(*c*) Cotton (million bales)††	3·94	4·23	4·00	4·72	4·2	6·5
(*d*) Jute (millions bales)†††	3·09	2·93	4·20	4·22	5·4	5·5
TOTAL AGRICULTURAL PRODUCTION (INDEX)***	114·3	116·4	115·9	123·0		

*Partially Revised Estimates.
** Final Estimates.
***Agricultural Year 1949-50=100
††Bale—392 lbs.
††† Bale—400 lbs.

TABLE II-A

Industrial Production

	Unit	1956				1957			
		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.*
Diesel Engines	'000	2·7	2·9	3·0	3·3	3·2	4·0	4·3	..
Grinding Wheels	'000 lbs.	557·7	547·1	577·5	795·6	865·5	897·4	749·7	..
Twist Drills	'000	280	444	394	431	397	443	762	648
Power Transformers	'000 K.V.A.	183·6	217·8	244·5	264·3	297·1	270·9	328·8	..
Power Driven Pumps	'000	10·8	11·4	11·1	12·6	14·5	14·9	15·2	..
Electric Motors	'000 H.P.	75·9	84·9	93·0	114·1	104·3	107·9	126·9	117·3
Dry Battery	Lakhs	367·0	447·2	531·0	468·8	458·1	398·7	456·0	333·2
Storage Battery	'000	78·8	82·2	77·1	76·0	82·2	79·0	80·3	81·4
Conduit Pipes	'000 Rft.	22·6	2377	2873	3456	2999	2699	2052·9	..
Automobiles	'000	7·5	7·5	8·7	11·7	9·4	7·3	7·9	8·4
Electricity	Mill. kwh.	2302	2399	2400	2511	2549	2726	2770	2557
Copper	'000 tons	1·8	1·9	2·0	1·9	1·8	2·0	1·9	2·0
Aluminium	'000 tons	168	1·74	1.29	1·74	1·91	1·89	2·0	..
Antimony	Tons	84	185	164	158	116	99	148	137
Coal	Lakh tons.	99	97	96	102	108	109	104	..
Cement	'000 tons	1226	1228	1193	1282	1378	1297	1317	1659
Pig Iron	'000 tons	474	423	444	467	486	449	434	..
Finished Steel	'000 tons	334	305	339	338	347	324	336	..
Sulphuric Acid	'000 tons	43·2	40·5	44·1	41·1	42·4	46·8	51·8	..
Soda Ash	'000 tons	22·2	18·6	18·3	24·9	24·2	22·6	21·3	23·3
Ammonium Sulphate	'000 tons	99·6	116·1	95·7	117·4	100·3	84·7	93·9	..
Caustic Soda	'000 tons	9·7	9·2	9·7	10·8	11·1	10·2	10·1	10·7
Bleaching Powder	'000 tons	1·0	1·0	1·2	1·4	1·4	1·1	1·5	1·6

Liquid Chlorine	'000 tons	3·8	3·5	3·7	4·1	4·1	3·6	3·8	3·8
Jute Textiles	'000 tons	281·1	294·6	268·2	249·0	253·7	253·7	253·8	267·3
Cotton Yarn	M. lbs.	398·7	403·5	431·7	437·1	450·0	440·7	445·1	435·0
Paper	'000 tons	47·1	47·7	49·2	49·5	51·2	51·0	51·1	..
Asbestos	'000 tons	27·6	28·2	30·9	32·7	39·6	36·1	39·5	41·4
Paint	'000 tons	10·5	9·9	9·9	10·5	10·2	10·3	8·6	..
Tanned Hide	'000	647·1	585·0	565·8	627·0	713·2	599·6	530·3	575·7
Rayon Yarn	'000 tons	3·9	4·2	4·3	4·2	4·6	4·9	5·0	4·5
Rubber Tyres and Tubes.									
(*i*) Automobile	'000 tons	435·6	444·6	514·1	492·1	502·5	505·7	496·3	425·7
(*ii*) Bicycle	'000 tons	3040·8	3166·3	3425·7	3060·3	3569·3	3700·7	3678·6	3248·2
(*iii*) Tractor	'000 tons	7·7	19·2	18·5	16·1	20·7	24·8	26·7	22·0
Tea	M. lbs.	22·9	167·5	300·6	172·8	27·3	156·2	294·6	..
Cotton Cloth	M. yds.	1258	1325	1371	1352	1372	1337	1323	1295
Vanaspati	'000 tons	73·2	95·4	57·3	59·1	81·5	77·8	65·0	74·3
Sugar	'000 tons	1043	442	120	445	1093	469	10	..
Footwear	Lakh prs.	109·2	99·9	101·4	115·8	110·9	97·0	113·2	118·6
Sewing Machine	'000	31·2	33·6	31·2	35·1	41·6	41·8	39·7	41·7
Electric Lamps	Lakhs	65·7	75·5	80·1	85·9	85·5	83·4	84·2	77·8
Electric Fans	'000	77·1	88·6	80·7	92·3	118·6	133·0	134·3	138·0
Radio Receivers	'000	36·3	35·1	34·9	42·3	41·4	50·0	46·3	46·4
Bicycles	'000	120·3	166·8	176·4	200·4	191·0	190·6	198·8	..
Matches	'000 Cases	145·2	149·4	151·5	142·5	147·8	141·2	139·2	..
House Service Meters	'000	31·0	51·7	70·5	77·1	79·5	85·3	81·5	82·1

*Estimated—November figures have been assumed for December.

..Not available.

TABLE II-B

Index of Industrial Production

(1951=100)

	1954	1955	1956	1957										
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
General Index . .	112·9	122·1	133·0	139·9	142·7	138·1	147·7	156·2	168·5	162·3	141·4	144·3	135·1	148·1
Mining and Quarrying. .	107·2	111·7	115·0	124·2	133·7	125·7	131·9	130·4	118·3	113·4	115·4	128·9	122·2	138·8
Food manufacturing* .	101·7	121·9	134·1	133·0	137·0	142·6	183·1	314·7	471·1	370·8	232·1	196·0	197·6	211·6
Cotton Textile . .	110·9	111·9	117·5	122·4	122·7	116·0	122·2	114·6	109·4	116·6	108·6	118·3	109·0	115·4
Jute Textile . . .	107·3	118·9	127·3	123·8	123·5	117·3	124·0	121·1	114·2	118·4	112·7	121·6	113·8	129·0
Footwear (leather) .	93·3	97·1	114·3	145·3	134·4	120·4	146·8	102·3	125·3	150·6	120·2	131·7	89·2	139·9
Plywood . . .	109·8	156·0	175·2	183·4	205·2	194·6	199·9	189·8	173·6	162·7	154·2	171·4	137·7	171·6
Paper and paper board	117·7	140·2	146·6	156·0	157·7	154·2	155·5	154·1	154·7	156·2	160·7	143·7	163·2	177·1
Tanned Hide . .	78·9	89·5	93·9	110·4	112·6	113·0	108·4	88·8	82·1	84·4	80·3	79·5	81·8	93·6
Rubber Products . .	127·7	140·2	151·6	179·0	172·7	156·3	182·9	159·6	156·1	167·8	161·7	184·8	112·8	178·9
Chemicals and Chemical Products	141·1	159·0	171·1	179·6	186·8	180·1	185·1	175·2	160·9	176·1	174·7	175·5	174·7	188·8
Glass & Glassware . .	107·4	127·8	148·7	160·6	177·0	164·0	169·9	142·3	126·7	124·0	163·4	175·3	153·9	169·6
Cement . . .	137·6	140·4	154·2	169·0	174·4	181·0	173·7	165·1	149·6	156·5	165·6	168·3	188·0	194·1
Ceramics . . .	117·6	127·5	156·1	163·6	170·3	165·6	168·7	167·9	170·5	165·8	176·8	164·6	157·7	185·4
Asbestos . . .	97·2	127·5	146·8	196·1	198·3	187·6	183·6	176·2	164·5	183·3	190·4	193·9	179·1	211·5

Iron and Steel . .	113·2	113·3	119·4	129·3	121·2	122·1	120·2	115·6	109·7	113·9	116.7	120·4	115.1	125·5
Non-ferrous metal . .	126·5	123·7	124·7	129·2	149·2	156·9	160·3	155·1	146·0	146·0	149·4	153·2	166·1	146·9
Metal Products‡ . .	172·4	202·4	223·3	254·9	248·4	263·6	269·5	245·5	214·7	212·6	198·3	172·6	148·7	154·4
Machinery† . . .	121·8	163·9	215·0	262·1	276·7	266·6	288·3	293·9	265·2	280·1	297·2	297·8	259·9	335·9
Electrical machines, apparatus, Appliances and Supplies.	128·2	157·8	210·3	227·1	250·7	250·3	262·0	231·9	224·6	249·4	244·4	257·2	214·6	263·8
Transport Equipment .	85·8	129·3	178·7	196·8	228·5	206·5	186·9	167·6	165·8	191·8	166·7	191·9	208·5	188·9
Electricity Generated .	127·0	131·2	164·1	174·1	180·0	175·3	186·7	186·8	186·0	186·0	195·0	191·5	183·3	191·4

*Except beverages.

†Except electrical.

‡Except machinery and transport equipment.

TABLE III

Index Numbers of Wholesale Prices

(Year ended March 1953=100)

	April 1954	May 1955	March 1956	Dec. 1956	May 1957	Aug. 1957	Dec. 1957	Jan 1958
I. FOOD ARTICLES	103	82	93	105	107	112	104	103
(a) *Cereals*	89	67	87	97	103	106	98	97
Rice	90	74	86	94	106	111	102	101
Wheat	87	58	85	94	90	89	86	86
Jowar	96	52	102	127	126	122	109	104
Bajra	90	67	100	133	137	138	117	114
(b) *Pulses*	74	48	77	87	84	87	80	80
Gram	71	38	66	77	71	71	65	64
Other pulses	76	53	83	93	91	96	88	89
(c) *Edible Oils*	112	76	105	133	127	131	125	119
Groundnut Oil	102	66	99	105	109	107	102	98
Mustard Oil	137	91	125	198	168	179	163	145
(d) *Sugar and Gur*	127	82	91	101	102	110	109	110
(e) *Others*	165	156	120	142	124	136	132	133
Tea	235	218	139	200	168	174	157	162
II. LIQUOR AND TOBACCO	99	84	79	88	91	92	98	96
III. FUEL, POWER, LIGHT AND LUBRICANT	98	96	97	107	110	115	115	114
IV. INDUSTRIAL RAW MATERIALS	108	94	111	119	120	120	115	114
(a) *Fibres*	107	107	113	121	124	122	115	115
Raw Cotton	107	92	107	109	112	112	105	104
Raw Jute	105	127	122	138	142	134	129	130
(b) *Oilseeds*	109	72	106	124	125	126	119	114
Groundnuts	108	67	102	105	116	112	102	10[illegible]
(c) *Minerals*	92	83	96	104	108	110	108	107
(d) *Others*	106	111	110	110	106	108	109	110
V. MANUFACTURES	102	99	103	109	108	109	108	108
(A) INTERMEDIATE PRODUCTS	100	97	109	114	109	108	106	107
(B) FINISHED PRODUCTS	102	100	102	108	107	109	108	108
(a) *Textiles*	105	103	104	110	108	108	106	106
Cotton Manufactures	111	106	111	117	116	117	115	116
Jute Manufactures	98	99	95	104	98	97	93	90
(b) *Metal Products*	109	110	125	131	136	141	142	142
(c) *Chemicals*	94	93	92	94	97	98	99	99
(d) *Machinery and Transport Equipment*	97	96	97	100	100	102	102	102
(e) *others*	96	96	97	103	109	111	112	112
All Commodities	103	89	98	108	109	112	107	106

TABLE IV

Factors responsible for the increase in money supply*

(1955-57)

(Rs. crores)

	1957	1956	1955
I.—*Increase (+) in Government Indebtedness to Banks*	*+477·8*	*+244·2*	*+146·1*
1. Increase (+) in indebtedness to the R.B.I.	+421·7	+261·0	+105·1
(*a*) Decline (+) in Govt. Balance with R.B.I.	(—1·3)	(—0·6)	(+7·0)
(*b*) Increase (+) in RBI holdings of Govt. Securities	(+395·2)	(+258·0)	(+96·1)
(*c*) Increase (+) in loans and advances granted to Govt. by the RBI	(+)27·8	(+3·6)	(+2·0)
2. Increase (+) in Govt. Securities held by banks	+56·1	—16·8	+41·0
II.—*Increase (+) in private Indebtedness to Banks*	*—120·3*	*+129·1*	*+49·8*
1. Increase (+) in bank credit	+80·4	+178·0	+100·0
2. Decrease (+) in time liabilities of banks	—200·7	—48·9	—50·2
III.—*Increase (+) in Foreign Exchange Assets held by RBI*	*—327·5†*	*—199·3*	*+4·4*
IV.—*Changes in other assets and Liabilities of RBI and other banks*	*+67·1*	*—42·5*	*+14·7*
V.—*Recorded increase (+) in money supply*	*+97·2*	*+131·5*	*+215·0*

*Provisional estimates.

†Exclusive of dollar purchases (Rs. 95·2 crores) from the I.M.F.

TABLE V

Money Supply with the Public and related monetary data*

(Amount in crores of Rs.)

	Last Friday of				Variations during		
	1957	1956	1955	1954	1957	1956	1955
I. MONEY SUPPLY							
1 Currency with the Public	1526·79	1485·34	1385·89	1224·61	+41·45	+99·45	+161·28
2 Demand liabilities (net) of banks	732·41	681·35	650·14	597·20	+51·05	+31·21	+52·94
3 Other deposits with RBI	16·51	11·96	11·14	10·34	+4·55	+0·82	+0·80
4 Money Supply with the public (1+2+3)	2275·71	2178·65	2047·17	1832·15	+97·06	+131·48	+215·02
II. ALLIED DATA							
A. Reserve Bank of India—							
1 Deposits of Central Government	53·54	57·24	54·01	54·89	—3·70	+3·23	—0·88
2 Deposits of State Governments	13·01	8·00	10·62	16·74	+5·01	—2·62	—6·12
3 Deposits of Banks	70·69	58·09	57·87	69·13	+12·60	+0·22	—11·26
4 Other Deposits	113·70	13·87	15·81	34·39	+99·83	—1·94	—18·58
5 Other Liabilities	153·76	146·59	48·17	46·82	+7·17	+98·42	+1·35
6 Foreign Assets	297·65	529·91	735·18	730·79	—232·26	—205·27	+4·39
7 Rupee Securities	1242·38	847·17	589·21	493·09	+395·21	+257·95	+96·12
8 Loans and Advances to Governments	35·03	7·27	3·66	1·67	+27·76	+3·61	+1·99
9 Other Loans and Advances	60·04	106.04	44·63	21·29	—46·00	+61·41	+23·34

10 Bills purchased and Discounted	2·70	3·30	12·07	4·01	—0·60	—8·77	+8·06
B. *Scheduled Banks*—							
11 Demand Liabilities (net)	701·76	643·57	615·60	566·84	+58·19	+27·97	+48·76
12 Time Liabilities (net)	667·28	457·16	412·62	365·28	+210·12	+44·54	+47·34
13 Total Deposits Liabilities (net)	1369·04	1100·73	1028·22	932·12	+268·31	+72·51	+96·10
14 Borrowings from the RBI	23·63	79·06	30·02	9·63	—55·43	+49·04	+20·39
15 Cash in India	39·56	38·55	39·33	35·95	+1·01	—0·78	+3·38
16 Balances with the RBI	67·83	51·98	60·88	67·79	+15·85	—8·90	—6·91
17 (15+16) as per cent of (13)	7·84	8·22	9·75	11·13	—0·38	—1·53	—1·38
18 Investments in Government Securities	433·43	364·44	383·00	347·87	+68·99	—18·56	+35·13
19 (18) as per cent of (13)	31·66	33·11	37·25	37·32	—1·45	—4·14	—0·07
20 Scheduled Banks credit	863·64	781·23	627·83	541·88	+82·41	+153·40	+85·95
21 (20) as per cent of (13)	63·08	70·97	61·06	58·13	—7·89	+9·91	+2·93

* Provisional figures.

TABLE VI

Indian's Balance of Payments

1956-57 and 1957-58 (April—September)

(Rs. crores)

	1956-57					1957-58		
	April-June	July-Sept.	Oct.-Dec.	Jan.-March	Total	April.-June	July-Sept.	Total (April-Sept.)
1. Imports c.i.f.	230·2	246·6	294·0	305·7	1076·5	323·1	299·1	622·2
(a) Private	196·1	195·5	209·6	194·7	795·9	201·0	182·5	383·5
(b) Government	34·1	51·1	84·4	111·0	280·6	122·1	116·6	228·7
2. Exports	153·5	134·8	171·5	177·2	637·0	139·8*	127·3**	267·1
3. Trade Balance	—76·7	—111·8	—122·5	—128·5	—439·5	—183·3	—171·8	—355·1
4. Official donations (net)	9·6	8·3	7·6	14·3	39·8	5·0	1·5	6.5
5. Other Invisibles (net)	22·6	22·1	30·1	32·4	107·2	28·6	22·3	50·9
6. Official Loans	4·6	3·3	10·9	37·7	56·4	9·7	18·2	27·9
7. Other Capital Transcations (net)	—13·2	—8·9	—15·6	—1·3	—39·0	43.0	2·5	45·5
8. Drawings on I. M. F.	..	..	..	60·7	60·7	34·5	..	34·5
9. Errors and Omissions	—7·1	17·7	2·2	—17·4	—4·6	—7·7	23·7	16·0
10. Movement in Foreign Exchange Reserves (Decrease+)	—60·2	+69·3	+87·3	+2·2	+219·0	+70·2	+103·6	+173·8

*Excludes silver despatched to the USA valued at Rs. 64·8 crores.

** ,, ,, ,, ,, ,, ,, ,, Rs. 9·6 crores.

TABLE VII

CATEGORY-WISE BREAKDOWN OF PRIVATE IMPORTS

TABLE VII

Category-wise Breakdown of Private Imports**

1955-56, 1956-57 and 1957-58 (Ist half)

(Rs. crores)

	April-June 1955	July-Sept. 1955	Oct-Dec. 1955	Jan.-March, 1956	Total 1955-1956	April-June 1956	July-Sept. 1956	Oct.-Dec. 1956	Jan.-March 1957	Total 1956-1957	April-June 1957	July-Sept. 1957	Total April-Sept. 1957
I. CONSUMERS GOODS	*30·34*	*28·64*	*30·37*	*32·92*	*122·27*	*36·01*	*38·49*	*38·59*	*34·44*	*147·53*	*37·09*	*28·02*	*65·11*
1. Food drink and tobacco	11·18	6·93	6·92	9·39	34·42	9·05	10·58	10·42	8·99	39·04	9·09	5·29	14·38
2. Drugs and medicines	2·79	3·04	3·50	3·07	12·40	3·42	3·73	3·48	3·38	14·01	4·36	4·08	8·44
3. Cutlery and hardware	5·61	5·84	5·40	5·72	22·57	7·67	7·17	6·75	6·84	28·43	6·90	4·81	11·71
4. Electrical goods	4·45	4·83	4·05	5·24	18·57	5·83	5·73	7·21	6·05	32·82	7·03	6·34	13·37
5. Others	6·31*	8·00*	10·50*	9·50*	34·31*	10·04*	11·28	10·73	9·18	41·23	9·71	7·50	17·21
II. RAW MATERIALS & PRODUCE	*41·37*	*44·64*	*39·84*	*46·67*	*172·52*	*46·21*	*40·73*	*46·13*	*39·45*	*172·52*	*40·03*	*34·64*	*74·67*
1. Mineral oils	15·64	15·36	18·40	15·47	64·87	20·37	19·59	18·73	16·82	77·31	20·00	16·05	36·05
2. Cotton, raw and waste	15·78	15·00	8·81	18·01	57·60	14·08	10·59	14·14	9·41	48·22	6·07	7·03	13·10
3. Jute, raw and waste	3·85	4·48	4·30	5·68	18·31	2·03	1·84	2·76	1·23	7·86	1·52	1·63	3·15
4. Others	6·10	9·80	8·33	7·51	31·74	9·73	8·71	10·50	10·19	39·13	12·44	9·93	22·37
III. INTERMEDIATE GOODS	*25·27*	*31·52*	*34.26*	*42·68*	*133·73*	*52·90*	*55·81*	*59·54*	*50·14*	*218·39*	*49·97*	*49·37*	*99·34*
1. Chemicals	5·34	5·13	4·82	6·54	21·83	7·31	7·13	7·90	6·64	28·98	5·63	6·18	11·81
2. Dyes and colours	3·43	5·27	3·57	3·35	15·62	3·75	3·90	3·68	3·61	14·94	3·61	3·96	7·57
3. Metals, iron & steel and manufactures thereof	9·16	11·29	15·78	22·10	58·33	29·49	30·17	32·67	27·03	119·36	26·81	26·06	52·87

4. Metals other than iron and steel.	4·58	6·33	5·89	6·89	23·69	7·79	9·52	10·70	9·19	37·20	10·17	8·90	19·07
5. Textile yarns and manufactures.	2·76*	3·50*	4·20*	3·80*	14·26*	4·56*	5·09	4·59	3·67	17·91	3·75	4·27	8·02
IV. CAPITAL GOODS	*42·85*	*33·19*	*36·46*	*40·93*	*153·43*	*51·28*	*49·93*	*56·50*	*53·24*	*210·95*	*56·51*	*52·79*	*109·30*
1. Machinery	31. 29	23·60	26·36	27·36	107·61	36·43	34·74	40·74	39·29	151·20	44·32	41·34	85·66
2. Vehicles (including (locomotives).	8·57	7·88	10·02	11·15	37·62	11·38	11·98	10·68	11·57	45·61	10·85	9·25	20·10
3. Ships, aircrafts and parts	2·99	1·71	1·08	2·42	8·20	3·47	3·21	5.08	2·38	14·14	1·34	2·20	3·54
V. OTHERS	*4·88**	*6·20**	*6·35**	*7·29**	*24·72**	*9·67**	*10·55*	*8·89*	*17·47*	*46·58*	*17·41*	*17·72*	*35·13*
TOTAL	144·71	144·19	147·28	170·49	606·67††	196·07	195·51	209 ·65	194·74	795·97	201·01	182·54	383·55

* Estimated.

** Based on E C D data.

† This is slightly less than the total of Rs.611·7 crores shown in the text.

TABLE VIII

Category-wise Breakdown of Exports*

1955-56, 1956-57 and 1957-58 (Ist half)

(Rs. crores)

	April June 1955	July-Sept. 1955	Oct.-Dec. 1955	Jan.-March 1956	Total 1955-56	April-June 1956	July-Sept. 1956	Oct.-Dec. 1956	Jan.-March 1957	Total 1956-1957	April-June 1957	July-Sept. 1957	Total April-Sept. 1957
I. *Food, drink, and Tobacco*	*36·5*	*40·2*	*53·3*	*51·7*	*181·7*	*48·6*	*44·4*	*62·6*	*58·0*	*213·6*	*38·4*	*40·3*	*78·7*
Tea	15·3	26·4	34·1	34·8	110·6	30·4	27·5	46·7	44·7	149·3	17·3	21·1	38·4
II. *Raw materials and Produce & Articles wholly unmanufactured.*	*56·1*	*54·8*	*56·5*	*60·0*	*227·4*	*50·5*	*37·8*	*48·7*	*52·9*	*189·8*	*47·8*	*39·4*	*87·2*
1. Cotton, raw and waste	7·9	11·7	13·0	13·0	45·6	6·8	4·1	4·9	7·9	23·7	7·2	2·6	9·8
2. Vegetable Oils	12·9	9·7	9·0	8·5	40·1	10·2	4·5	6·0	4·8	25·5	4·6	4·6	9·2
3. Hides and skins, raw and tanned.	7·8	7·3	8·3	9·6	23·0	8·0	5·8	8·2	8·4	30·4	8·4	6·7	15·1
Metal ores	6·1	7·3	7·4	8·9	29·7	4·6	3·9	6·0	5·3	19·8	4·0	3·3	7·3
5. Manganese ore						4·2	4·4	5·5	7·0	21·1	6·2	6·4	12·6
III. *Articles wholly or mainly Manufactured*	*66·7*	*59·3*	*61·1*	*67·3*	*254·4*	*59·2*	*58·2*	*65·9*	*72·6*	*225·9*	*56·5*	*52·0*	*108·5*
1. Jute Manufactures	31·5	26·9	28·8	33·1	120·3	26·8	30·0	32·3	37·1	126·2	25·0	22·4	47·4
2. Cotton Manufactures	23·9	22·1	19·8	20·6	86·4	19·8	17·0	20·3	23·2	80·3	20·1	19·1	39·2

V. *Others*	2·9	1·7	1·9	1·9	8·4	2·1	1·8	2·3	2·1	8·3	2·4	2·0	4·4
TOTAL (*c.i.f.*) . . .	162·2	156·0	172·8	180·9	671·9	160·4	142·2	179·5	185·6	667·7	145·1	133·7	278·8
ess Estimated freight and insurance, etc.. . .	9·2	6·4	7·4	7·8	30·8	6·8	7.5	8·0	8·5	30·8	5·3	6·4	11·7
Exports f.o.b. . . .	153·0	149·6	165·4	173·1	641·1	153·6	134·7	171·5	177·1	636·9	139·8	127·3	267·1

*Based on ECD data.

TABLE IX

Net Capital Formation—by and through the Central Government

(Rs. crores)

	1951-52 (Acct.)	1952-53 (Acct.)	1953-54 (Acct.)	1954-55 (Acct.)	1955-56 (Acct.)	1956-57 (R.E.)	1957-58 (B.E.)
A. *By the Central Government (Direct)*							
(*a*) Fixed assets	49·4	43·2	67·5	86·8	127·8	220·6	327·7
(*b*) Works Stores	5·0	—1·0	3·2	—2·5	5·1	8·7	8·0
TOTAL	*54·4*	*42·2*	*70·7*	*84·3*	*132·9*	*229·3*	*335·7*
B. *Through the Central Government (Indirect)*							
(a) Grants for capital formation	6·3	5·7	6·2	28·4	32·9	35·6	33·4
(*b*) Investment in shares	4·2	2·3	4·6	6·2	3·4	49·3	79·0
(*c*) Loans for capital formation	85.0	105·8	144·9	257·6	291·8	284·8	295·2
TOTAL	*95·5*	*113·8*	*155·7*	*292.2*	*328·1*	*369·7*	*407·6*
C. *Total net capital formation by and through the Central Government (A plus B)*	*149·9*	*156·0*	*226·4*	*376·5*	*461·0*	*599·0*	*743·3*

*Excludes figures relating to policy stocks, *e.g.*, foodgrains, steel etc.

GOVERNMENT OF INDIA

BUDGET

of the

CENTRAL GOVERNMENT

for

1958-1959

(As laid before Parliament, 1958)

MINISTRY OF FINANCE ;
New Delhi, the 28th February, 1958

M. V. RANGACHARI,
Special Secretary.

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I.—GENERAL STATEMENT OF THE REVENUE AND

[In thousands of Rupees]

	For details. *vide* Statement	Accounts. 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I—CONSOLIDATED FUND OF INDIA					
REVENUE—					
Principal Heads of Revenue—					
Customs. . .	A	1,73,23,05	1,67,60,00	1,83,00,00	1,70,00,00
Union Excise Duties	"	1,90,43,05	2,55,37,00(b)	2,64,55,00	3,01,93,00 + 2,83,00*
Corporation Tax .	"	51,18,20	50,50,00	50,50,00	55,50,00
Taxes on Income other than Corporation Tax and Estate Duty	"	92,99,25	89,52,00	82,47,00	84,53,00
Estate Duty . .	"	—10,50	9,00	12,00	12,00
Taxes on Wealth .	"	..	12,50,00	9,00,00	12,50,00
Taxes on Railway Fares and Freight.	"	..	..	3,00	7,00
Expenditure Tax .	"	..	..	..	3,00,00*
Gift Tax . .	"	..	..	..	3,00,00
Opium . . .	"	2,19,31	2,50,00	3,28,00	2,87,00
Other Heads . .	"	6,14,21	9,25,94	10,61,25	10,39,65
TOTAL—PRINCIPAL HEADS		5,15,86,57	5,87,73,34	6,03,26,35	6,40,91,65 + 5,83,00*
Contribution from Railways	"	5,86,45	6,67,38	6,33,34	7,04,46
Irrigation: Net Receipts . . .	"	—25	1,66	26	66
Posts and Telegraphs: (Net) (*a*)	"	6,32,03	3,94,26	1,23,49	2,34,00
Debt Services . .	"	5,64,72	4,90,25	6,15,42	6,60,45
Civil Administration	"	14,27,91	43,20,84	5[illegible],79,32	44,24,05
Currency and Mint	"	24,29,04	36,02,31	36,84,01	36,62,26
Civil Works and Miscellaneous Public Improvements .	"	2,61,77	2,93,14	2,76,51	2,86,01
Electricity Schemes .	"	1,06	1,91	97	1,38
Miscellaneous . .	"	13,92,28	7,81,02	10,86,92	8,44,25
Contributions and Miscellaneous Adjustments between Union and State Governments	"	6,23	2,90	6,23	6,23
Extraordinary Items .	"	1,28,38	10,53,62	45	14,00,45
TOTAL—REVENUE		5,89,96,29	7,03,82,63	7,24,63,27	7,63,15,85 + 5,83,00
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT		..	..	..	27,01,67
TOTAL		5,89,96,29	7,03,82,63	7,24,63,27	7,[illegible],00,[illegible]

*Effect of Budget proposals.

(*a*) Figures shown net; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

(b) Excludes a sum of Rs. 420 lakhs being the share of Union Excise Duties payable to States which have been taken in reduction of Revenue.

N.B.—The accounts for 1956-57 have not been finally closed and the actuals given here are only provisional.

EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

	For details, *vide* Statement	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
Direct Demands on the Revenue	B	36,32,46	41,79,93	62,96,57	94,45,63
Irrigation	,,	3,13	10,21	10,02	12,97
Debt Services	,,	39,06,14	35,00,00	37,44,00	40,00,00
Civil Administration	,,	1,22,29,32	1,91,01,85	1,94,71,38	2,00,43,95
Currency and Mint	,,	4,85,14	6,71,79	7,35,13	8,49,64
Civil Works and Miscellaneous Public Improvements	,,	14,53,25	15,88,29	16,18,44	18,65,74
Electricity Schemes	,,	1,27	4·95	4,43	4,95
Miscellaneous	,,	52,65,15	75,72,75	74,32,44	80,20,79
Defence Services(*a*)	,,	1,92,14,70	2,52,70,55	2,66,04,87	2,78,13,64
Contributions and Miscellaneous Adjustments between Union and State Governments	,,	28,25,78	25,22,76	47,26,26	47,03,36
Extraordinary Items	,,	10,40,0[illegible]	22,85,28	13,14,54	28,39,85
TOTAL—EXPENDITURE MET FROM REVENUE		5,00,56,36	6,68,08,96	7,19,58,08	7,96,00,52
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS		89,39,93	35,73,67	5,05,19	..
TOTAL		5,89,96,29	7,03,82,63	7,24,63,27	7,96,00,52

(*a*) Figures shown net ; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II.—GENERAL STATEMENT OF THE RECEIPTS

(In thousands of Rupees)

RECEIPTS	For details, *vide* Statement	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I)		89,39,93	35,73,67	5,05,19	..
Capital Accounts outside the Revenue Account	C	..	..	..	..
Parmanent Debt (net)	,,	85,77,61	1,71,99,09	1,41,96,20	4,03,25,75
Floating Debt (net)	,,	2,40,44,50	2,75,00,00	3,75,20,00	2,01,57,00
Loans and Advances by the Central Government (net)	,,	..	..	..	..
Inter-State Settlement (net)	,,	1,38,61	..	..	..
TOTAL I—CONSOLIDATED FUND OF INDIA		4,17,00,65	4,82,72,76	5,22,21,39	6,04.82,75
II.—CONTINGENCY FUND OF INDIA	C	..	..	..	..
III.—PUBLIC ACCOUNT					
Unfunded Debt (net)	,,	77,43,05	98,42,41	78,49,73	1,18,02,76
Depreciation and other Reserve Funds (net)	,,	7,10,16	85,07	..	..
Appropriation for Reduction or Avoidance of Debt (net)	,,	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net)	,,	..	2,01,63,82	1,00,95,13	86,32,87
Remittances (net)	,,	39,88,46	..	63,74	..
Transfer of Cash between England and India (net)	,,	..	..	..	..
TOTAL III—PUBLIC ACCOUNT	,,	1,29,41,67	3,05,91,30	1,85,08,60	2,09,35,63
TOTAL RECEIPTS		5,46,42,32	7,88,64,06	7,07,29,99	8,14,18,38
OPENING BALANCE	C	—4,65,50	50,11,69	51,04,17	50,55,14
TOTAL		5,41,76,82	8,38,75,75	7,58,34,16	8,64,73,52

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

DISBURSEMENTS	For details, *vide* Statement	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in part I) . . .	C	..	..	..	27,01,67
Capital Accounts not met from Revenue . .	,,	2,74,50,80	5,50,57,03	4,61,82,99	4,91,34,62
Permanent Debt (net) .	,,	..		..	..
Floating Debt (net) .	,,	..	..	..	..
Loans and Advances by the Central Government (net) . . .	,,	2,13,13,23	2,44,65,28	2,34,10,65 ..	2,60,23,98
Inter State Settlement (net) . . .	,,	..	1,45,40	1,45,00	12,00
TOTAL I—CONSOLIDATED FUND OF INDIA		4,87,54,03	7,96,67,71	6,97,38,64	7,78,72,27
III—PUBLIC ACCOUNT					
Unfunded Debt (net) .	C	..	..	..	..
Depreciation and other Reserve Funds (net)	,,	..	..	10,40,38	28,67,24
Appropriation for Reduction or Avoidance of Debt (net) . . .	,,	..	.	..	..
Other Deposits and Advances (net) . .	,,	3,08,34	..	..	..
Remittances (net) . .	,,	..	1,03,10	..	1,12,58
Transfer of Cash between England and India (net)	,,	28	..	..	..
TOTAL III.—PUBLIC ACCOUNT . . .		3,08,62	1,03,10	10,40,38	29,79,82
TOTAL—DISBURSEMENTS .		4,90,72,65	7,97,70,81	7,07,79,02	8,08,52,09
CLOSING BALANCE . .	C	51,04,17	41,04,94	50,55,14	56,21,43
TOTAL . .		5,41,76,82	8,38,75,75	7,58,34,16	8,64,73,52

A.—Statement of the Revenue of the Central Government

[In thousands of Rupees]

Heads of Revenue	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease (—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease (—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE—						
I.—Customs	1,73,23,05	1,67,60,00	1,83,00,00	+15,40,00	1,70,00,00	—13,00,00
II.—Union Excise Duties	1,90 43,05	2,55,37,00	2,64,55,00	+9,18,00	3,04,76,00	+40,21,00
III.—Corporation Tax	51,18,20	50,50,00	50,50,00	..	55,50,00	+5,00,00
IV.—Taxes on Income other than Corporation Tax and Estate Duty	92,99,25	89,92,00	82,47,00	—7,45,00	84,53,00	+2,06,00
V—Estate Duty	—30,50	9,00	12,00	+3,00	[illegible],00	..
V-A. Taxes on Wealth	..	12,50,00	9,00,00	—3,50,00	12,50,00	+3,50,00
V-B. Taxes on Railway Fares and Freight.	..	..	3,00	+3,00	7,00	+4,00
V-C. Expenditure Tax.	..	..	..	..	3,00,00	+3,00,00
V-D. Gift Tax.	..	..	..	..	3,00,00	+3,00,00
VI.—Opium	2,19,31	2,50,00	3,28,00	+78,00	2,87,00	—41,00
V.II.—Land Revenue	54,06	58,31	51,98	—6,33	52,09	+11
VIII.—State Excise Duties	71,96	1,39,33	1,73,51	+34,18	1,66,40	—7,11
IX.—Stamps	2,12,53	2,41,27	2,81,49	+40,22	2,93,17	+11,68
X.—Forest	1,70,13	2,23,42	2,46,81	+23,39	2,[illegible]6,59	+9,78
XI.—Registration	4,95	8,91	8,39	—52	8,49	+10
XII.—Taxes on Vehicles	6,87	30,72	33,72	+3,00	33,94	+22
XII-A-Sales Tax	..	..	..	..	,79,76	+1,79,76
XIII.—Other Taxes and Duties	93,71	2,23,38	2,65,45	+42,07	49,21	—2,16,24
TOTAL	5,15,86,57	5,87,73,34	6,0[illegible],56,35	+15,83,01	6,46,74,65	-43,1[illegible],30
IRRIGATION—						
XVII.—Irrigation, Navigation Embankment and Drainage Works (Commercial)	57	1,50	10	—1,40	50	+40
Deduct—Working Expenses	*88*	..	..	..	..	..
Net Receipts	—31	1,50	10	—1,40	50	+40
XVIII.—Irrigation, Navigation, Embankment and Drainage Works (No-Commercial)	16	16	16	..	16	..
TOTAL	—15	1,66	26	—1,40	66	+40
POSTS AND TELEGRAPHS						
XIX.—Posts and Telegraphs—Gross Receipts	56,83,74	62,07,50	60,69,00	—1,38,50	63,64,00	+2,95,00
Deduct—Working Expenses	*48,03,41*	*55,36,01*	*56,67,28*	—1,31,27	*58,15,84*	—1,48,56
Net Receipts	8,80,33	6,71,49	4,0[illegible],72	+2,69,77	5,48,16	+1,46,44
DEBT SERVICES						
XX.—Interest	5,64,72	4,90,25	6,15,42	+1,25,17	6,60,45	+45,03
Carried over	5,30,31,47	5,99,36,74	6,13,73,75	+14,37,01	6,5[illegible]3,02	+45,10,17

A.—Statement of the Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease (—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease (—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	5,30,31,47	5,99,36,74	6,13,73,75	+14,37,01	6,58,83,92	+45,10,17
CIVIL ADMINISTRATION—						
XXI.—Administration of Justice	7,74	8,60	10,05	+1,45	10,31	+26
XXII.—Jails and Convict Settlements	45	1,21	84	—37	1,15	+31
XXIII.—Police	25,39	23,27	36,57	+13,30	35,06	—1,51
XXIV.—Ports and Pilotage	24,55	48,79	40,11	—8,68	41,40	+1,29
XXIV-A—Mercantile Marine	..	..	..	..	8,74	+8,74
XXV.—Lighthouses and Lightships	47,60	43,00	49,32	+6,32	48,34	—98
XXVI—Education	51,80	36,21	38,80	+2,59	32,26	—6,54
XXVII.—Medical	24,38	30,56	26,27	—4,29	29,28	+3,01
XXVIII.—Public Health	24,58	13,48	20,60	+7,12	22,08	+1,48
XXIX.—Agriculture	60,56	67,57	80,48	+12,91	79,40	—1,08
XXIX-A—Rural Development	6	..	..	..	..	..
XXX.—Veterinary	14,88	19,09	16,27	—2,82	17,79	+1,52
XXXI.—Co-operation	1,53	20	1,55	+1,36	1,54	—2
XXXII.—Industries and Supplies—						
Gross Raceipts	8,38,63	34,52,55	47,28,58	+12,76,03	34,80,42	—12,48,16
Deduct—						
Working Expenses	*2,46,13*	..	..	..	..	..
Net Receipts	5,92,50	34,52,55	47,28,58	+12,76,03	34,80,42	—12,48,16
XXXIII.—Aviation	85,17	84,01	96,48	+12,47	89,95	—6,53
XXXIV.—Broadcasting	1,59,85	1,57,48	1,72,84	+15,36	1,77,88	+5,04
XXXVI.—Miscellaneous Departments	3,06,87	3,24,82	3,60,55	+25,73	3,48,45	—12,10
TOTAL	14,27,91	43,20,84	56,79,32	+13,58,48	44,24,05	—12,55,27
CURRENCY AND MINT—						
XXXVII.—Currency	21,69,23	32,93,51	32,81,48	—12,03	32,36,95	—44,53
XXXVIII.—Mint	2,59,81	3,08,80	4,02,53	+93,73	4,25,31	+22,78
TOTAL	24,29,04	36,02,31	36,84,01	+81,70	36,62,26	—21,75
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works	2,59,92	2,91,55	2,75,58	—15,97	2,84,43	+8,85
XLA.—Receipts from Multi-purpose River Schemes	1,85	1,59	93	—66	1,58	+65
TOTAL	2,61,77	2,93,14	2,76,51	—16,63	2,86,01	+9,50
ELECTRICITY SCHEMES—						
XLI.—Receipts from Electricity Schemes—						
Gross Receipts	9,13	9,61	8,69	—92	9,75	+1,06
Deduct—						
Working Expenses	8,07	7,70	7,72	—2	8,37	—5
Net Receipts	1,06	1,91	97	—94	1,38	+41
Carried over	5,71,51,25	6,81,54,94	7,10,74,56	+28,50,62	7,42,57,62	+22,42,09

A.—Statement of the Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	5,71,51,25	6,81,54,94	7,10,14,56	+28,59,62	7,42,57,62	+32,43,06
MISCELLANEOUS—						
XLIV.—Receipts in aid of Superannuation	45,18	73,10	75,20	+2,10	72,80	—2,40
XLV.—Stationery and Printing	37,46	33,48	31,19	—5,29	29,08	—2,11
XLV-A.—Contributions from Railways	5,86,45	6,67,38	6,33,34	—34,04	7,04,46	+71,12
XLVI.—Miscellaneous	13,15,11	6,60,60	9,81,60	+3,21,00	7,46,54	—2,35,06
XLVI.A.—Receipts from Road and Water Transport Schemes—Gross Receipts	25,41	57,05	56,50	—55	57,31	+81
Deduct—Working Expenses	*30,88*	*46,21*	*57,57*	—11,36	*61,48*	—3,91
Net Receipts	—5,47	10,84	—1,07	—11,91	—4,17	—3,10
TOTAL	19,78,73	14,48,40	17,20,26	+2,71,86	15,48,71	—1,71,55
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective	19,57,41	13,39,53	15,62,16	+2,22,63	13,56,36	—2,05,80
XLVIII.—Defence Receipts—Non-effective	12,72	7,72	11,54	+3,82	8,98	—2,56
TOTAL	19,70,13	13,47,25	15,73,70	+2,26,45	13,65,34	—2,08,36
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments	6,23	2,90	6,23	+3	6,23	..
EXTRAORDINARY ITEMS—						
LI.—Extraordinary Receipts	1,00,57	10,53,50	..	—10,53,50	14,00,00	+14,00,00
LI-A.—Receipts on account of Community Development Projects, National Extension Service and Local Development Works	6,42	12	45	+33	45	..
LII B.—Civil Defence	—11	..	..	..	..	..
LII C.—Pre-partition Receipts	1,50	..	..	..	..	..
TOTAL	1,08,38	10,53,62	45	—10,53,17	14,00,45	+14,00,00
RAILWAY REVENUE AS PER RAILWAY BUDGET	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38	+13,98,15
TOTAL—REVENUE	6,80,81,91	8,08,96,76	8,23,20,43	+14,23,67	8,79,81,73	+56,61,30
Excess of Expenditure over Revenue or Deficit	..	.	..	..	27,01,67	..

B.—Statement of the Expenditure met from Revenue of the Central Government

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease (—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease (—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA						
DIRECT DEMANDS ON THE REVENUE—						
1.—Customs	2,81,32	4,02,57	4,08,92	+6,35	4,16,26	+7,34
2.—Union Excise Duties	23,31,54	24,57,13	45,41,12	+20,83,99	74,64,66	+29,23,54
3.—Corporation Tax		1,17,55	1,15,28	—2,27	1,30,95	+15,67
4.—Taxes on Income other than Corporation Tax and Estate Duty	4,25,84	3,42,40	3,46,27	+3,87	3,80,48	+34,21
5.—Estate Duty	..	8,84	9,88	+1,04	9,93	+5
5-A.—Taxes on Wealth	..	..	4,00	+4,00	13,60	+9,60
5-B.—Taxes on Railway fares	..	..	2,22	+2,22	4,73	+2,51
5-C.—Expenditure Tax	..	..	..	..	3,00	+3,00
6.—Opium	1,51,84	2,11,07	2,05,34	—5,73	2,42,18	+36,84
7.—Land Revenue	31,38	35,83	33,91	—1,92	42,18	+8,27
8.—State Excise Duties	20,05	45,57	46,54	+97	49,18	+2,64
9.—Stamps	1,54,36	1,69,77	2,11,56	+41,79	2,38,63	+27,07
10.—Forest	2,13,53	3,56,63	3,35,30	—21,33	4,08,14	+72,84
11.—Registration	1,56	1,76	1,92	+16	1,89	—3
12.—Taxes on Vehicles	16,37	20,34	22,34	+2,00	26,17	+3,83
12-A.—Sales Tax	..	..	..	..	10,19	+10,19
13.—Other Taxes and Duties	4,67	10,47	11,97	+1,50	3,46	—8,51
TOTAL	36,32,46	41,79,93	62,96,57	+21,16,64	94,45,63	+31,49,06
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.—Irrigation, Navigation, Embankment and Drainage Works (Commercial)	..	..	..	..	..	..
18.—Irrigation, Navigation, Embankment and Drainage works (Non-Commercial)	3,48	10,21	10,02	—19	12,97	+2,95
TOTAL	3,48	10,21	10,02	—19	12,97	+2,95
CAPITAL ACCOUNTS OF IRRIGATION, ETC., WORKS MET FROM REVENUE—						
19.—Construction of Irrigation Works financed from ordinary Revenues	—35	..	..	..	..	..
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20.—Posts and Telegraphs—Interest on Debt	2,48,30	2,77,23	2,78,23	+1,00	3,14,16	+35,93
Carried over	38,83,89	44,67,37	65,84,82	+21,17,45	97,72,76	+31,87,94

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA— (*contd.*)						
Brought forward	38,83,89	44,67,37	65,84,82	+21,17,45	97,72,76	+31,87,94
DEBT SERVICES—						
22.—Interest on Debt and other Obligations	99,41,36	1,14,33,05	1,16,83,05	+2,50,00	1,34,42,93	+17,59,88
Deduct—Interest transferred to—						
Railways	32,29,91	37,11,35	37,90,85	—79,50	42,53,93	—4,63,08
Irrigation	..	90	..	+90	..	..
Posts and Telegraphs	..	2,76,54	2,81,23	—4,69	3,17,16	—35,93
State Governments	28,01,72	40,97,67	39,42,75	+1,54,92	50,09,63	—10,66,88
Commuted Value of Pensions	1,25,65	22,44	22,62	—18	21,06	+1,56
Other heads	3,77,94	3,24,15	4,01,60	—77,45	3,41,15	+60,45
TOTAL TRANSFERS	65,35,22	84,33,05	84,39,05	—6,00	99,42,93	—15,03,88
Net	34,96,14	30,00,00	32,44,00	+2,44,00	35,00,00	+2,56,00
23.—Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL	39,06,14	35,00,00	37,44,00	+2,44,00	40,00,00	+2,56,00
CIVIL ADMINISTRATION						
25.—General Administration	14,06,44	15,67,46	14,85,05	—82,41	16,34,27	+1,49,22
26.—Audit	5,99,15	6,61,84	6,65,92	+4,08	7,25,77	+59,85
27.—Administration of Justice	25,74	38,64	40,85	+2,21	42,17	+1,32
28.—Jails and Convict Settlements	8,03	13,30	13,40	+10	14,06	+66
29.—Police	6,57,78	7,95,10	7,88,75	—6,35	8,26,37	+37,62
30.—Ports and Pilotage	80,42	1,05,28	1,02,49	—2,79	46,08	—56,41
30-A.—Mercantile Marine	..	..	..	..	61,29	+61,29
31.—Lighthouses and Lightships	44,73	43,00	49,32	+6,32	48,34	—98
34.—Tribal Areas	4,18,07	5,40,02	5,73,32	+33,30	9,40,92	+3,67,60
35.—External Affairs	6,90,91	7,12,83	7,16,93	+4,10	7,49,61	+32,68
36.—Scientific Departments	11,32,87	16,42,93	14,08,79	—2,34,14	17,79,14	+3,70,35
37.—Education	19,43,66	29,12,41	24,14,94	—4,97,47	29,62,20	+5,48,26
38.—Medical	2,86,78	5,01,02	4,57,92	—43,10	6,14,71	+1,56,79
39.—Public Health	3,35,38	5,77,91	5,84,44	+6,53	9,88,11	+4,03,67
40.—Agriculture	7,45,57	13,51,12	13,33,61	—17,51	13,83,18	+53,57
40-A.—Rural Development	47,65	75,25	91,90	+16,65	85,16	—6,74
41.—Veterinary	93,10	1,50,31	1,14,46	—35,85	1,52,90	+38,44
42.—Co-operation	74,21	1,55,91	1,44,68	—11,23	1,39,35	—5,33
43.—Industries and Supplies	20,93,33	53,16,25	65,81,28	+12,65,03	46,15,71	—19,65,57
44.—Aviation	2,79,41	3,05,22	3,08,47	+3,25	3,24,88	+16,41
45.—Broadcasting	3,18,00	3,58,39	3,44,34	—14,05	3,73,50	+29,16
47.—Miscellaneous Departments	9,48,09	12,77,66	12,50,52	—27,14	15,31,23	+2,80,71
TOTAL	1,22,29,32	1,91,01,85	1,94,71,38	+3,69,53	2,00,43,95	+5,72,57
Carried over	2,00,19,35	2,70,69,22	2,98,00,20	+27,30,98	3,38,16,71	+40,16,51

B.—Statement of the Expenditure met from Revenue of Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease (—) as compared with Budget 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease (—) as compared with Revised, 1957-58
I—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	2,00,19,35	2,70,69,22	2,98,00,20	+7,30,98	3,38,16,71	+40,16,51
CURRENCY AND MINT—						
48.—Currency .	2,42,54	3,59,71	3,50,83	—8,88	3,72,87	+22,04
49.—Mint . .	2,42,60	3,12,08	3,84,30	+72,22	4,76,77	+92,47
TOTAL .	4,85,14	6,71,79	7,35,13	+63,34	8,49,64	+1,14,51
CIVIL WORKS, ETC.— .						
50.—.Civil Works .	14,04,64	14,97,71	15,37,02	+39,31	17,75,51	+2,38,49
51-B—Other Revenue Expenditure connected with Multipurpose River Schemes . .	48,61	90,58	81,42	—9,16	90,23	+8,81
TOTAL .	14,53,25	15,88,29	16,18,44	+30,15	18,65,74	+2,47,30
ELECTRICITY SCHEMES—						
52-A.—Other Revenue Expenditure connected with Electricity Schemes .	1,27	4,95	43	—52	4,95	+52
CAPITAL ACCOUNT OF ELECTRICITY SCHEMES WITHIN REVENUE ACCOUNT—						
53.—Capital Outlay of Electricity Schemes	..	..	..	..	..	..
TOTAL	1,27	4,95	4,43	—52	4,95	+52
MISCELLANEOUS—						
54.—Famine . .	6,66	25	6,05	+5,80	25	—5,80
54-A.—Territorial and Political Pensions .	30,45	27,95	25,35	—2,60	22,09	—3,26
54-B.—Privy Purses and Allowances of Indian Rulers .	5,37,01	5,54,48	5,50,74	—3,74	5,46,75	—3,99
55—Superannuation Allowances and Pensions . .	3,29,48	3,35,11	3,59,82	+24,71	3,71,27	+11,45
56.—Stationery and Printing . .	1,27,35	2,70,36	2,48,78	—21,58	2,56,32	+7,54
57.—Miscellaneous .	42,34,20	63,84,60	62,41,70	—1,42,90	68,24,11	+5,82,41
TOTAL .	52,65,15	75,72,75	74,32,44	—1,40,31	80,20,79	+5,88,35
DEFENCE SERVICE—						
58.—Defence Services Effective—Army .	1,46,71,45	1,66,56,61	1,74,03,40	+7,46,79	1,72,04,36	—1,99,04
59.—Defence Services Effective—Navy .	12,43,68	15,97,81	15,28,48	—69,33	16,61,98	+1,33,50
60.—Defence Services Effective—Air Force	38,58,51	69,81,49	78,16,38	+8,34,89	88,54,65	+10,38,27
60-A.—Defence Services—Non-Effective	14,11,19	13,81,89	14,30,31	+48,42	14,57,99	+27,68
TOTAL .	2,11,84,83	2,66,17,80	2,81,78,57	+15,60,77	2,91,78,98	+10,00,41
Carried over . ..	4,84,08,99	6,35,24,80	6,77,67,21	+42,44,41	7,37,36,81	+59,67,60

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	4,84,08,99	6,35,24,80	6,77,69,21	+42,44,41	7,37,36,81	+59,67,60
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS						
61.—Grants-in-aid to States . .	28,20,95	25,16,66	47,20,16	+22,03,50	46,96,70	—23,46
62.—Miscellaneous Adjustments between Union and State Governments .	4,83	6,10	6,10	..	6,66	+56
TOTAL .	28,25,78	25,22,76	47,26,26	+22,03,50	47,03,36	—22,90
EXTRAORDINARY ITEMS—						
63.—Extraordinary Charges . .	..	10,00,00	..	—10,00,00	14,00,00	+14,00,00
63-B.—Community Development Projects, National Extension Service and Local Development Works . .	9,28,18	13,14,88	12,22,61	—92,27	14,01,64	+1,79,03
64-B.—Civil Defence	95	1,00	96	—4	94	—2
64-C.—Pre-partition Payments . .	1,10,89	70,00	90,97	+20,97	37,27	—53,70
TOTAL .	10,40,02	23,85,88	13,14,54	—10,71,34	28,39,85	+15,25,31
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET . .	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38	+13,98,15
TOTAL—EXPENDITURE MET FROM REVENUE	5,91,41,98	7,73,23,09	8,18,15,24	+44,92,15	9,06,83,40	+88,68,16
Excess of Revenue over Expenditure or Surplus	89,39,93	35,73,67	5,05,19	..	.. ..	..

C.—Statement of the Receipts and Disbursements of the Central Government

[In thousands of Rupees]

RECEIPTS	Acounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B) . . .	89,39,93	35,73,67	5,05,19	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Lend Surpluses . .	..	..	..	..
PUBLIC DEBT—				
A.—*Debt raised in India*—				
I.—PERMANENT DEBT—				
New Loan	1,57,72,72	1,00,00,00	..	1,45,00,00
4 per cent Loan, 1972 . . .	..	..	49,16,87	..
3¾ per cent National Plan Bonds—Fourth Series. (3¾ per cent, 1967) .	..	..	56,99,15	..
3½ per cent Bonds, 1962 . . .	..	..	30,00,00	..
15-Year Annuity Certificates . .	42,35	80,00	50,00	1,65,00
Other Loans	1,17	..	..	..
TOTAL .	1,58,16,24	1,00,80,00	1,36,66,02	1,46,65,00
II.—FLOATING DEBT—				
Treasury Bills	27,38,57,50	37,35,00,00	41,57,22,00	52,71,36,00
Other Floating Loans . . .	..	..	..	..
TOTAL .	27,38,57,50	37,35,00,00	41,57,22,00	52,71,36,00
B.—Debt raised in England—				
Permanent Debt	..	..	..	..
C.—Other Debt	10,84,42	1,09,93,00	78,07,44	2,84,76,14
TOTAL—PUBLIC DEBT .	29,07,58,16	39,45,73,00	43,71,95,46	57,02,77,14
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	34,60,10	44,11,74	94,30,38	62,21,84
Other Loans and Advances . .	7,48,87	11,79,70	16,94,80	12,46,66
TOTAL . .	42,08,97	55,91,44	1,11,25,18	74,68,50
INTER-STATE SETTLEMENT—				
India and Pakistan . . .	..	..	..	..
India and Burma . . .	..	..	..	..
India and France . . .	..	..	..	..
Centre and Rajasthan . .	..	..	..	..
Centre and Mysore . . .	..	..	..	..
Centre and Kerala . . .	..	..	..	..
Centre and Hyderabad . .	1,55,00	..	..	..
TOTAL .	1,55,00	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	30,40,62,06	40,37,38,11	44,88,25,83	57,77,45,64

C.—Statement of the Receipts and Disbursements of the Central Government.—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A)	..	..	..	27,01,67
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget)	1,07,37,73	1,24,17,10	1,38,4[illegible],97	1,38,83,59
Posts & Telegraphs	9,58,96	9,85,00	11,00,87	10,82,00
Forest	17,45	18,31	9,13	9,51
Security Printing Press	1,02	7,61	3,25	11,07
Irrigation	28,48	17,22	13,36	19,46
Agricultural Improvement and Research	4,43,75	2,41,89	1,67,25	1,78,70
Industrial Development	66,33,73	1,85,92,38	1,52,25,85	1,93,08,89
Civil Aviation	2,46,54	2,87,61	2,81,58	3,28,67
Broadcasting	1,24,45	1,65,00	1,02,09	1,15,00
Ports	4,02,21	5,29,02	3,70,34	3,92,57
Currency and Coinage	—44,29	2,85	—21,67	69,14
Mint	17,80	72,00	48,42	46,20
Delhi Capital Outlay	6,91,46	7,38,42	7,38,42	6,44,70
Multi-purpose River Schemes	2,24,58	3,71,57	3,29,70	4,22,00
Civil Works	16,43,40	11,36,58	16,21,58	15,27,80
Capital Outlay on Electricity Schemes	41,60	37,50	26,74	53,97
Capital Outlay on Other Works	2,00	3,52,00	83,20	1,49,80
Road and Water Transport Schemes	6,87	13,00	3,00	5,00
Capital outlay on Shipping, Tankers, etc.	70,25	1,63,75	23,05	58,50
Dandakaranya Development Scheme.	..	..	25,00	2,99,75
Payments of Commuted Value of Pensions	—46,43	—31,35	—34,99	—33,01
Capital Outlay on Sterling Pensions	—8,90,12	—8,85,24	—8,85,24	—24,88,76
Compensation to Displaced Persons	19,87,32	19,90,54	15,54,44	13,33,31
Payments to Retrenched Personnel	—1,17	—40	—49	—15
Transfer of Development assistance from Government of U.S.A.	..	95,30,00	35,02,46	78,47,18
Defence Capital Outlay	19,70,15	23,54,50	24,92,52	27,00,00
Schemes of Government Trading	11,67,27	49,35,27	44,14,94	2,90,56
Capital Outlay on Development Grants	10,15,79	10,14,90	10,31,22	8,69,17
TOTAL	2,74,50,80	5,50,57,03	4,61,82,99	4,91,34,62
PUBLIC DEBT—				
A—Debt raised in India—				
1.—PERMANENT DEBT—				
15-Year Annuity Certificates	5,86	10,00	10,00	15,00
Other Loans	79,96,21	31,75,00	67,95,00	20,00,00
TOTAL—CARRIED OVER	80,02,07	31,85,00	68,05,00	20,15,00
CARRIED OVER	2,74,50,80	5,50,57,03	4,61,82,99	5,18,36,29

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Brought forward . .	2,74,50,80	5,50,57,03	4,61,82,99	5,18,36,29
Brought forward . .	80,02,07	31,85,00	68,05,00	20,15,00
II—FLOATING DEBT—				
Treasury Bills	24,98,13,00	34,60,00,00	37,77,22,00	50,66,36,00
Other Floating Loans . .	..	..	4,80,00	3,43,00
TOTAL .	24,98,13,00	34,60,00,00	37,82,02,00	50,69,79,00
B.—*Debt raised in England*—				
PERMANENT DEBT—				
India Stocks . . .	1,65	2,58	2,48	40,00
Railway Debenture Stocks .	29			
Railway Annuities. . .	91,28	59,02	59,03	48,13
TOTAL .	93,22	61,60	61,51	88,13
C.—Other Debt	2,27,76	6,27,31	4,10,75	7,12,26
TOTAL—PUBLIC DEBT . .	25,81,36,05	34,98,73,91	38,54,79,26	50,97,94,39
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	1,98,31,80	2,33,36,71*	2,82,82,99	2,79,32,65
Other Loans and Advances . .	56,90,40	67,20,01	62,52,84	55,59,83
TOTAL	2,55,22,20	3,00,56,72	3,45,35,83	3,34,92,48
INTER-STATE DEBT SETTLEMENTS—				
India and Pakistan . . .	..	..	..	..
India and Burma . . .	..	..	..	..
India and France . . .	10,39	40	..	..
Centre and Rajasthan . .	..	..	..	..
Centre and Mysore . . .	6,00	1,45,00	1,45,00	..
Centre and Kerala . .	..	..	..	12,00
Centre and Hyderabad . .	..	..	..	..
TOTAL	16,39	1,45,40	1,45,00	12,00
TOTAL—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	31,11,25,44	43,51,33,06	46,63,43,08	59,51,35,16

*For the reasons explained in para 66 of the Budget Speech, this figure is less by Rs. 15 crores from the net amount appearing in the Demand for "Loan and advances by the Central Government" for "Loan to State Governments."

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
II.—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund .	..	..	..	..
TOTAL—II.—CONTINGENCY FUND OF INDIA—RECEIPTS		..	..	..

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposits of Service Funds	2,63	2,64	2,60	2,56
Post Office Savings Bank Deposits	1,76,97,64	1,69,35,00	1,74,00,00	1,90,00,00
10-Year Treasury Savings Deposit Certificates	3,86,35	5,30,00	6,46,00	18,50,00
12-Year National Plan Savings Certificates	..	..	62,00,00	90,00,00
Post Office Cumulative Time Deposits	..	..	..	2,50,00
Post Office Cash Certificates	—9	..	..	..
Defence Savings Certificates	—41	..	..	..
Defence Savings Bank Deposits	..	..	..	..
National Savings Certificates	34,48,94	37,70,00	4,77,00	..
10-Year National Plan Certificates	10,07,50	12,50,00	1,27,00	..
State Provident Funds	41,03,08	39,20,25	39,87,79	40,63,03
Special Loans	..	..	..	..
Other Accounts	2,63,72	2,62,22	2,31,84	2,67,52
TOTAL	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest-bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	49,21,32	50,67,66	51,14,94	50,26,72
Railway Development Fund as shown in Railway Budget	20,64,30	31,50,62	22,04,87	27,51,57
P. & T. Renewals Reserve Fund	1,44,50	2,72,91	2,72,98	2,78,10
Telephone Development Fund	73,79	65,00	65,00	65,00
Other Reserve Funds	39,47	53,08	77,82	72,82
(*b*) *Non-interest bearing*—				
Other Reserve Funds	..	19,30	22,33	23,58
Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942	—1,71	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No XVI of 1943	4,63	10,00	20,00	20,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	16,41	..	..	..
Deposits towards payment of Excess Profits Tax	54,08	..	..	..
Deposits towards payment of Income Tax.	31,84	15,00	30,00	20,00
Advance payment of Tax under Section 18-A of the Income Tax Act.	8,12,62	..	..	..
Deposits under Section 10(2B) of the Indian Income Tax Act	..	30,00,00	4,00,00	10,00,00
Deposits of Trusts for Indian Princes.	5,37	5,20	5,20	5,04
Other Deposits	20,60	..	..	..
Carried Over	86,87,22	1,21,58,77	87,13,14	97,62,83
Carried Over	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward . .	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11
Brought forward .	86,87,22	1,21,58,77	87,13,14	97,62,83
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve .	1.67.77	..	..	..
Central Road Fund . . .	5,35,36	4,81,45	4,65,09	5,01,25
Kutch Benevolent Fund . .	50	..	..	..
Fund for the Benefit of Cotton-growers	13,20	26,00	26,00	25,00
Cotton Textiles Fund . .	..	..	..	..
Sugar (Temporary) Excise Fund	8,17	8,23	13,60	7,83
Reserve Fund for Protection of Sugar Industry . . .	..	84	84	..
Fund for Relief of Ground-nut Cultivators . . .	..	12	13	16
Fund for Relief of Linseed Cultivators	1	..	..	..
Fund for Development of Hand-loom and Khad Industries .	14,31,77	8,94,00	11,58,65	8,57,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat .	3,85,17	..	..	..
Fund from the sale proceeds of Wheat received under the Colombo Plan . . .	36,68	..	..	..
Fund from other Assistance under the Colombo Plan .	4,47,41	7,06,00	6,33,80	3,86,33
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement . . .	21,96,95	22,15,00	18,84,00	20,62,76
Fund from the sale proceeds of American Loan Commodities .	..	40,30,00	35,02,00	10,47,00
Fund for Assistance from Norway for Fisheries Community Development	..	46,00	46,00	25,00
Assistance under P.L. 480	..	65,00,00	..	82,00,00
Coal Mines Labour Housing and General Welfare Fund.	1,22,51	1,31,03	1,28,66	1,20,49
Mica Mines Labour Welfare Fund	32,66	17,00	20,00	20,00
Coal Production Fund	18	1,35,39	1,00,13	..
Fund for payment of Bonus of Temporary Clerical Personnel under the Unified Scale of Pay	..	..	..	..
Iron and Steel Equalisation Fund	..	27,91,70	40,74,44	19,47,24
Workmen's Benefit Fund	..	..	..	..
P.O. Certificate Bonus Fund	4,41,80	4,70,44	2,00,23	1,37,96
Deposits of Local Funds	5,63,05	4,02,89	5,61,77	5,07,03
Civil Deposits . . .	2,02,64,74	1,62,00,41	2,14,29,99	1,96,12,04
Other Deposits . . .	49,48,59	54,48,92	58,23,31	54,92,92
Carried over . .	4,02,83,74	5,26,64,19	4,87,82,47	5,07,12,84
Carried over . .	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III. PUBLIC ACCOUNT—*contd.*				
Brought forward	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11
Brought forward	4,02,83,74	5,26,64,19	4,87,82,47	5,07,12,84
Account of payment in respect of provisional assessment of Excess Profits Tax	18,99	..	..	..
Deposit account of refundable Excess Profits Tax.	5,44	5,00	5,00	5,00
Deposit account of refundable Central Income-Tax Surcharge	..	..	..	..
Deposit account of interest on Excess Profits Tax Deposits	..	3,00	2,90	3,00
Deferred Pay to Indian Troops	..	1,40,60	1,43,00	1,50,00
Post-war Reconstruction Fund	..	..	..	..
Other Accounts	—4,85,52	1,00,73	2,23,84	2,48,02
Accounts with the Government of Burma	2	5,95	68	67
Accounts with the Reserve Bank	6	94,55	1,32,36	1,40,22
Other Advances	1,25,57,04	1,08,42,93	1,52,62,30	1,59,32,31
Value of One-rupee Notes issued	5,00,00	5,00,00	5,00,00	5,00,00
Purchases and Sales of Silver (net)	..	..	..	..
Sales of lease-lend Silver (net)	..	..	..	..
Cash Balance Investment Account(net)	..	..	1,27	5,35
Profits on circulation of nickel, bronze and copper coins (net).	3,98,70	..	..	..
Discount Sinking Fund	1,16,88	1,58,89	1,58,89	1,72,72
Bonus on Loans	..	..	..	..
Other Suspense Accounts (net)	..	73,57,81	7,16,85	98,15
Cheques and Bills (net)	5,57,54	5,66,08	6,00,00	1,00,00
Departmental and Similar Accounts (net).	3,16,17	6,88,36	2,09,05	2,68,59
Miscellaneous	7,98,04	1,58,16	1,22,18	86,10
TOTAL	5,50,67,10	7,32,86,25	6,68,60,79	6,84,22,97
Carried Over	8,19,76,46	10,26,56,36	9,59,33,02	10,28,56,08

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III. PUBLIC ACCOUNT—*concld.*				
Brought forward . .	8,19,76,46	10,26,56,36	9,59,33,02	10,28,56,08
REMITTANCES—				
I—REMITTANCES WITHIN INDIA—				
Inland Money Orders . .	2,51,98,27	2,65,50,00	2,66,50,00	2,80,00,00
Other Remittances . . .	17,28,51	4,10,40	4,46,65	4,05,84
Accounts between Civil and other Departments— . . .				
Exchange Accounts between Civil and Posts & Telegraphs	36,15,34	50,74,93	25,01,11	46,58,12
Exchange Accounts between Civil and Defence Services .	1,64,41,13	1,88,87,34	1,94,78,96	2,12,84,64
II. REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Accounts between England and India—				
Purchases and Sales of Silver.	..	..	..	..
Other Transactions . .	1,83,74,04	1,31,37,13	1,76,80,37	1,58,12,41
TOTAL . .	6,53,57,29	6,40,59,80	6,67,57,09	7,01,61,01
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,62,87,79	1,77,88,22	2,23,44,04	1,92,11,57
RESERVE BANK DEPOSITS—RAILWAYS	—85,81,99	—1,08,39,29	—1,34,97,17	—1,52,25,26
TOTAL III—PUBLIC ACCOUNTS RECEIPTS . . .	15,50,39,55	17,36,65,09	17,15,36,98	17,70,03,40
TOTAL—(I+II+III) .	45,91,01,61	57,74,03,20	62,03,62,81	75,47,49,04
OPENING BALANCE . .	—4,65,50	50,11,69	51,04,17	50,55,14
GRAND TOTAL . . .	45,86,36,11	58,24,14,89	62,54,66,98	75,98,04,18

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
II. PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposits of Service Funds	5,07	4,40	4,25	4,23
Post Office Savings Bank Deposits	1,48,32,29	1,55,35,00	1,56,00,00	1,65,00,00
10-Year Treasury Savings Deposit Certificates	85,04	1,00,00	1,26,00	1,50,00
12-Year National Plan Saving Certificates	..	..	..	4,00,00
Post Office Cumulative Time Deposits	..	..	..	..
Post Office Cash Certificates	1,09,50	66,00	95,00	90,00
Defence Savings Certificates	4,08	4,00	5,00	3,00
Defence Savings Bank Deposits	..	..	..	..
National Savings Certificates	15,41,60	14,00,00	26,87,00	26,57,00
10 Year National Plan Certificates	1,07,98	1,50,00	3,77,00	4,50,00
State Provident Funds	22,92,55	20,84,20	21,43,18	21,92,15
Special Loans	48	34	48	48
Other Accounts	1,87,72	1,83,76	1,84,59	1,83,49
TOTAL	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	43,69,69	49,59,37	58,85,36	69,51,66
Railway Development Fund as per Railway Budget	19,84,57	32,36,96	25,92,90	36,70,32
P. & T. Renewals Reserve Fund	1,20,82	1,15,00	1,15,00	1,33,00
Telephone Development Fund	23,03	75,00	40,00	1,80,00
Other Reserve Funds	35,11	1,37,66	1,43,64	1,23,25
(*b*) *Non-interest bearing*—				
Other Reserve Funds	..	19,51	21,42	26,80
Appropriation for Reduction or Avoidance of Debt—				
Sinking Funds	..	..	..	..
OTHER DEPOSITS AND ADVANCES—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942.	36	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943.	18,26	21,00	16,00	16,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	4,26	50	50	50
Carried over	65,56,10	85,65,00	88,14,82	1,11,01,53
Carried over	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III. PUBLIC ACCOUNT—*contd.*				
Brought forward . .	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35
Brought forward . .	65,56,10	85,65,00	88,14,82	1,11,01,53
Deposits towards payment of Excess Profits Tax.	5,28	..	..	..
Deposits towards payment of Income Tax.	37,14	25,00	25,00	25,00
Deposits towards payment of Super tax	..	..	..	..
Advance payment of Tax under section 18A of the Income Tax Act.	10,66,02	10,00	1,00	1,00
Deposits under Section 10 (2B) of the Indian Income Tax Act	..	15,00,00	50,00	3,00,00
Deposits of Trusts for Indian Princes	22,11	22,11	22,11	22,11
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve . . .	..	..	..	..
Central Road Fund	3,77,72	6,32,22	5,98,57	5,90,67
Kutch Benevolent Fund	17	..	..	..
Fund for the Benefit of Cotton growers	57,85	54,00	48,49	77,38
Cotton Textiles Fund	21,08	29,78	27,68	38,96
Sugar (Temporary) Excise Fund .	41,30	26,36	2,61	6,25
Reserve Fund for Protection of Sugar Industry	..	..	..	..
Fund for Relief of Groundnut Cultivators	..	7	7	9
Fund for Relief of Linseed Cultivators	..	17	16	25
Fund for Development of Handloom and Khadi Industries . .	16,51,04	8,94,00	11,58,65	8,57,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . .	3,25,00	..	..	..
Fund from the Sale proceeds of Wheat received under the Colombo Plan.	..	..	..	..
Fund from other Assistance under the Colombo Plan	1,90,60	7,07,00	3,46,91	2,57,43
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement.	11,33,17	21,30,00	9,48,96	11,63,39
Fund from the sale proceeds of American Loan Commodities . .	9,52	..	..	..
Fund for Assistance from Norway for Fisheries Community Development	6,77	46,00	46,00	25,00
Assistance under P.L 480 .	..	15,00,00	..	21,00,00
Coal Mines Labour Housing and General Welfare Fund . .	1,35,01	2,41,13	1,25,33	2,75,19
Mica Mines Labour Welfare Fund .	13,02	35,75	15,80	24,72
Coal Production Fund	..	2,35,63	2,23,81	..
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay . . .	..	..	..	..
Iron and Steel Equalisation Fund	..	27,90,58	22,85,43	28,82,06
Workmen's Benefit Fund . .	..	54	2	52
P. O. Certificate Bonus Fund . .	27,38	40,77	30,66	49,09
Deposits of Local Funds . .	4,82,86	3,92,16	5,83,78	5,24,30
Civil Deposits	1,96,19,35	1,62,52,70	2,07,44,16	1,95,78,84
Other Deposits	46,36,73	48,53,19	53,20,60	49,16,56
Carried over . . .	3,64,15,22	4,09,84,16	4,14,20,08	4,48,17,34
Carried over . . .	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III. PUBLIC ACCOUNT—*contd.*				
Brought forward	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35
Brought forward	3,64,15,22	4,09,84,16	4,14,20,08	4,48,17,34
Account of payment in respect of provisional assessment of Excess Profits Tax	22,19	5,00	5,00	5,00
Deposit account of refundable Excess Profits Tax	70,07	11,00	11,00	16,00
Deposit account of refundable Central Income-Tax Surcharge	20	..	..	..
Deposit account of interest on Excess Profits Tax Deposits	1,90	1,50	1,50	1,00
Deferred Pay to Indian Troops	..	72,00	60,00	40,00
Post-War Reconstruction Fund	..	3,00	1,00	1,00
Other Accounts	10,42,81	98,59	2,70,84	1,97,05
Account with the Government of Burma	75	5,85	2,78	1,77
Accounts with the Reserve Bank	6,68	90,09	1,38,30	1,38,06
Other Advances	1,45,07,93	1,09,37,84	1,51,66,26	1,68,53,84
Value of One-rupee Notes issued	..	..	..	..
Purchases and Sales of Silver (net)	8,42,29	..	..	..
Sales of Lease-Lend Silver (net)	..	..	..	..
Cash Balance Investment Account (net)	2,89,11	..	..	..
Profits on circulation of nickel, bronze and copper coins (net)	..	1,70,00	..	..
Discount Sinking Fund	2,65,23	..	96,00	..
Bonus on Loans	..	..	..	..
Other Suspense Accounts (net)	3,76,36	..	..	..
Cheques and Bills (net)	..	..	..	..
Departmental and Similar Accounts (net)	..	..	..	..
Miscellaneous	3,24,54	1,58,33	1,33,28	86,28
TOTAL	5,41,65,28	5,25,37,36	5,73,06,04	6,21,57,34
Carried over	7,33,31,59	7,20,65,06	7,85,28,54	8,47,87,69

C.—Statement of the Receipts and Disbursements of the Central Government—*concld.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Bedget Estimate, 1958-59
III. PUBLIC ACCOUNT—*concld.*				
Brought forward . .	7,33,31,59	7,20,65,06	7,85,28,54	8,47,87,69
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders . . .	2,50,82,57	2,66,00,00	2,66,00,00	2,80,50,00
Other Remittances . . .	..	4,63,50	4,32,91	4,68,42
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts & Telegraphs	22,45,42	50,74,93	25,01,11	46,58,12
Exchange Accounts between Civil and Defence Services	1,61,13,33	1,88,87,34	1,94,78,96	2,12,84,64
II.—REMITTANCE BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchases and Sales of Silver .	..	..	..	..
Other Transactions . . .	1,79,27,51	1,31,37,13	1,76,80,37	1,58,12,41
TOTAL	6,13,68,83	6,41,62,90	6,66,93,35	7,02,73,59
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,62,88,07	1,77,88,22	2,23,44,04	1,92,11,57
RESERVE BANK DEPOSITS—				
RAILWAYS	—85,81,99	—1,08,39,29	—1,34,97,17	—1,52,25,26
TOTAL III—PUBLIC ACCOUNT DISBURSEMENTS . .	14,24,06,50	14,31,76,89	15,40,68,76	15,90,47,59
TOTAL—(I+III) . . .	45,35,31,94	57,83,09,95	62,04,11,84	75,41,82,75
Closing Balance .	51,04,17	41,04,94	50,55,14	56,21,43
GRAND TOTAL . .	45,86,36,11	58,24,14,89	62,54,66,98	75,98,04,18

DETAILS OF VOTED AND CHARGED AMOUNTS INCLUDED IN THE DEMANDS FOR GRANTS FOR THE EXPENDITURE OF THE CENTRAL GOVERNMENT (EXCLUDING RAILWAYS) FOR 1958-59

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No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted	*Charged*	Total
			Rs.	Rs.	Rs.
	I. EXPENDITURE MET FROM REVENUE.				
	(I. Ministry of Commerce and Industry)				
1	Ministry of Commerce and Industry.	General Administration	66,43	..	66,43
2	Industries	Industries and Supplies	26,90,99	..	26,90,99
3	Salt	Industries and Supplies	1,58,04	*5,02*	1,63,06
4	Commercial Intelligence and Statistics.	Miscellaneous Departments.	79,81	..	79,81
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry.	Miscellaneous Departments and Miscellaneous.	1,90,64	..	1,90,64
	(II. Ministry of Community Development).				
6	Ministry of Community Development.	General Administration.	21,99	..	21,99
7	Community Development Projects, and National Extension Service.	Community Development, etc.	13,13,27	..	13,13,27
	(III. Ministry of Defence.)				
8	Ministry of Defence	General Administration.	37,68	..	37,68
9	Defence Services, Effective—Army	Defence Services	1,78,08,25	*2,50*	1,78,10,75
10	Defence Services, Effective—Navy	Defence Services	16,65,08	*50*	16,65,58
11	Defence Services, Effective—Air Force.	Defence Services	88,54,15	*50*	88,54,65
12	Defence Services—Non-Effective Charges	Defence Services	13,70,49	*87,50*	14,57,99
	TOTAL CARRIED OVER		3,42,56,82	*96,02*	3,43,52,84

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No. of Demand	Service Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		3,42,56,82	96,02	3,43,52,84
	I. EXPENDITURE MET FROM REVENUE—*contd.*				
	(IV. Ministry of Education and Scientific Research).				
13	Ministry of Education and Scientific Research	General Administration.	68,92	..	68,92
14	Archaeology	Scientific Departments	1,09,70	..	1,09,70
15	Survey of India		1,71,11	..	1,71,11
16	Botancial Survey		12,50	..	12,50
17	Zoological Survey		11,87	..	11,87
18	Scientific Research.		6,38,98	..	6,38,98
19	Other Scientific Departments		56,67	..	56,67
20	Education	Education	25,37,10	..	25,37,10
21	Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	Miscellaneous Departments and Miscellaneous.	2,41,90	..	2,41,90
	(V. Ministry of External Affairs)				
22	Tribal Areas	Tribal Areas	8,02,99	..	8,02,99
23	Naga Hills—Tuensang Area	Do.	3,64,57	..	3,64,57
24	External Affairs	General Administration and External Affairs	8,78,80	..	8,78,80
25	State of Pondicherry	Miscellaneous	2,98,88	40	2,99,28
26	Miscellaneous Expenditure under the Ministry of External Affairs.	Miscellaneous	4,09	..	4,09
	(VI. Ministry of Finance)				
27	Ministry of Finance	General Administration	1,58,77	..	1,58,77
28	Customs	Customs	4,16,27	5	4,16,32
29	Union Excise Duties	Union Excise Duties	7,86,89	68,97,33	76,84,22
30	Taxes on Income including Corporation Tax, etc.	Corporation Tax, Taxes on Income etc.	5,41,40	1,23	5,42,63
	TOTAL—CARRIED OVER		4,23,58,23	69,95,03	4,93,53,26

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No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	Total
	TOTAL BROUGHT FORWARD		4,23,58,23	*69,95,03*	4,93,53,26
	I. EXPENDITURE MET FROM REVENUE —*contd.*				
31	Opium	Opium	2,42,18	..	2,42,18
32	Stamps	Stamps	2,34,05	*8,48*	2,42,53
33	Audit	Audit	10,02,58	*20,47*	10,23,05
34	Currency	Currency	3,70,14	*11,12*	3,81,26
35	Mint	Mint	4,77,07	..	4,77,07
36	Territorial and Political Pensions.	Territorial and Political Pensions.	22,09	..	22,09
37	Superannuation Allowances and Pensions.	Superannuation Allowances and Pensions	3,51,00	*33,33*	3,84,33
38	Miscellaneous Departments and Other Expenditure under the Ministry of Finance.	Distributed over respective heads of account	31,09,44	1	31,09,45
39	Planning Commission	Miscellaneous	2,10,00	..	2,10,00
40	Miscellaneous Adjustments between the Union and State Governments.	Miscellaneous Adjustments between the Union and State Governments.	6,66	..	6,66
41	Pre-partition payments.	Pre-partition payments	34,42	*2,85*	37,27
	Charged—Interest on Debt and other obligations and reduction or avoidance of Debt.	*Interest on Debt and other obligations and reduction or avoidance of Debt.*	..	*1,39,42,93*	1,39,42,93
	Grants-in-aid to States.	*Grants-in-aid to States*	..	*46,96,70*	46,96,70
	(VII. Ministry of Food and Agriculture)				
42	Ministry of Food and Agriculture	General Administration	73,54	..	73,54
43	Forest	Forest	2,56,26	..	2,56,26
44	Agriculture	Agriculture	15,72,49	1	15,72,50
45	Civil Veterinary Service	Veterinary	1,48,25	..	1,48,25
46	Miscellaneous Departments and Other Expenditute under the Ministry of Food and Agriculture	Distributed over respective heads of account	13,80,85	..	13,80,85
	TOTAL—CARRIED OVER		5,18,49,25	*2,57,10,93*	7,75,60,18

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No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted	*Charged*	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		5,18,49,25	*2,57,10,93*	7,75,60,18
	(VIII. Ministry of Health)				
47	Ministry of Health .	General Administration . . .	13,71	..	13,71
48	Medical Services .	Medical . .	5,18,73	..	5,18,73
49	Public Health . .	Public Health .	14,06,97	..	14,06,97
50	Miscellaneous Departments and Expenditure under the Ministry of Health . .	Miscellaneous Departments and Miscellaneous . .	87,61	..	87,61
	(IX. Ministry of Home Affairs)				
51	Ministry of Home Affairs	General Administration.	2,73,56	..	2,73,56
52	Cabinet		35,34	..	35,34
53	Zonal Councils		4,44	..	4,44
54	Administration of Justice.	Administration of Justice.	2,25	*14,87*	17,12
55	Police . . .	Police . . .	4,93,68	..	4,93,68
56	Census . . .	Miscellaneous Departments	8,34	..	8,34
57	Statistics . . .	Do.	1,81,12	..	1,81,12
58	Privy Purses and Allowances of Indian Rulers.	Privy Purses, etc.	4,91	*5,41,84*	5,46,75
59	Delhi	Distributed over respective heads of account.	7,73,27	*51*	7,73,78
60	Himachal Pradesh		4,62,40	*1,84*	4,64,24
61	Andaman and Nicobar Islands		2,77,91	..	2,77,91
			2,16,72	..	2,16,72
62	Manipur		3,28,73	*50*	3,29,23
63	Tripura				
64	Laccadive, Minicoy and Amindivi Islands		19,74	..	19,74
65	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs . . .	Miscellaneous Departments and Miscellaneous.	8,75,72	..	8,75,72
	(X. Ministry of Information and Broadcasting)				
66	Ministry of Information and Broadcasting	General Administration.	13,49	..	13,49
67	Broadcasting	Broadcasting . .	4,01,00	..	4,01,00
		TOTAL—CARRIED OVER	5,82,48,89	*2,62,70,49*	8,45,19,38

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No. of Demand	Service, Administration or Areas to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted	*Charged*	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		5,82,48,89	*2,62,70,49*	8,45,19,38
	I. EXPENDITURE MET FROM REVENUE—*contd.*				
68	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting.	Miscellaneous Departments and Miscellaneous.	3,34,11	..	3,34,11
	(XI. Ministry of Irrigation and Power)				
69	Ministry of Irrigation and Power.	General Administration.	19,67	..	19,67
70	Multi-purpose River Schemes.	Multi-purpose River Schemes.	1,28,07	..	1,28,07
71	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power.	Distributed over respective heads of account.	1,05,10	..	1,05,10
	(XII. Ministry of Labour and Employment)				
72	Ministry of Labour and Employment.	General Administration.	17,47	..	17,47
73	Chief Inspector of Mines	Scientific Departments.	23,04	..	23,04
74	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment.	Distributed over respective head of account.	8,80,17	..	8,80,17
	(XIII. Ministry of Law)				
75	Ministry of Law	General Administration.	19,39	..	19,39
76	Elections.	Do.	1,81,41	..	1,81,41
77	Miscellaneous Expenditure under the Ministry of Law.	Miscellaneous	5,44	..	5,44
		TOTAL—CARRIED OVER	5,99,62,76	*2,62,70,49*	8,62,33,25

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No. of Demand	Service, Administration or Area to which Demand relates.	Head of Amount	Amount (In thousands of rupees) Voted Rs.	*Charged* Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		5,99,62,76	*2,62,70,49*	8,62,33,25
	I. EXPENDITURE MET FROM REVENUE—*contd.*				
	(XIV. Ministry of Rehabilitation)				
78.	Ministry of Rehabilitation.	General Administration.	40,45	..	40,45
79.	Expenditure on Displaced Persons and Minorities.	Miscellaneous	20,48,25	..	20,48,25
	(XV. Ministry of Steel, Mines and Fuel)				
80.	Ministry of Steel, Mines and Fuel.	General Administration.	33,49	..	33,49
81.	Geological Survey	Scientific Departments	1,31,85	..	1,31,85
82.	Exploration of Oil and Natural Gas.	Scientific Departments	2,18,35	..	2,18,35
83.	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel.	Miscellaneous	49,62,52	..	49,62,52
	(XVI. Ministry of Transport and Communications).				
84.	Ministry of Transport and Communications.	General Administration.	76,62	..	76,62
85.	Mercantile Marine Department	Mercantile Marine	62,10	..	62,10
86.	Lighthouses & Lightships.	Lighthouses and Lightships.	1,38,96	..	1,38,96
87.	Central Road Fund	Civil Works	4,28,99	..	4,28,99
88.	Communications (including National Highways).	Civil Works	6,03,69	..	6,03,69
89.	Indian Posts and Telegraphs Department (including working Expenses)	Posts and Telegraphs	62,96,98	*3,17,17*	66,14,15
90.	Meteorology	Scientific Departments.	1,61,46	..	1,61,46
90.	Overseas Communications Service.	Industries and Supplies	1,16,76	*7,00*	1,23,76
92.	Aviation	Aviation	3,79,52	..	3,79,52
93.	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications.	Distributed over respective heads of account.	1,38,68	..	1,38,68
	TOTAL—CARRIED OVER		7,58,01,43	*2,65,94,66*	10,23,96,09

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No. of Demand	Service, Administration or Area to which Demand relates	Head of Acoount	Amount (In thousands of rupees) Voted	*Charged*	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD . .		7,58,01,43	*2,65,94,66*	10,23,96,09
	I.—EXPENDITURE MET FROM REVENUE—*concld.*				
	(XVII—Ministry of Works, Housing and Supply).				
94.	Ministry of Works, Housing and Supply	General Administration.	56,71	..	56,71
95.	Supplies . . .	Industries and Supplies.	2,71,95	..	2,71,95
96.	Other Civil Works .	Civil Works . .	25,12,32	*41,56*	25,53,88
97.	Stationery and Printing	Stationery and Printing.	7,19,67	..	7,19,67
98.	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply.	Miscellaneous Departments and Miscellaneous.	88,56	..	88,56
	(XVIII—Department of Atomic Energy).				
99.	Department of Atomic Energy.	General Administration . . .	9,08	..	9,08
100.	Atomic Energy Research.	Scientific Departments . . .	3,30,80	..	3,30,80
	(XIX—Department of Parliamentary Affairs).				
101.	Department of Parliamentary Affairs.	General Administration.	2,25	..	2,25
	(XX. Lok Sabha)				
102.	Lok Sabha . .	General Administration.	1,03,03	*67*	1,03,70
103.	Miscellaneous Expenditure under Lok Sabha	Miscellaneous .	34	..	34
	(XXI—Rajya Sabha).				
104.	Rajya Sabha . .	General Administration . . .	33,31	*61*	33,92
	(XXII—Secretariat of the President).				
	Charged—Staff, Household and Allowances of the President.	General Administration.	..	*18,37*	**18,37**
	(XXIII.—Secretariat of the Vice-President).				
105.	Secretariat of the Vice-President.	General Administration.	59	..	59
	(XXIV.—Union Public Service Commission)				
	Charged—Union Public Service Commission.	General Administration.	..	*42,05*	42,05
		TOTAL . .	7,99,30,04	*2,66,97,92*	10,66,27,96(*a*)

(*a*) Expenditure shown in the Budget Statement	9,06,83,40
Add—Posts and Telegraphs—Working Expenses	58,15,84
Electricity Schemes—Working Expenses	8,37
Road Transport Schemes—Working Expenses	61,48
Amount for eliminating recoveries . .	1,94,62,25
	11,60,31,34
Deduct—Railway Expenditure . . .	—94,03,38
TOTAL .	10,66,27,96

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No. of Demand	Service Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted Rs.	*Charged* Rs.	Total Rs.
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES.				
	(I.—Ministry of Commerce and Industry).				
106.	Capital Outlay of the Ministry of Commerce and Industry.	Distributed over respective heads of account.	12,93,89	..	12,93,89
	(II.—Ministry of Community Development).				
107.	Capital Outlay of the Ministry of Community Development.	Distributed over respective heads of Account.	2,33,36	..	2,33,36
	(III.—Ministry of Defence).				
108.	Defence Capital Outlay.	Defence Capital Outlay.	29,93,50	6,50	30,00,00
	(IV.—Ministry of Education and Scientific Research).				
109.	Capital Outlay of the Ministry of Education and Scientific Research.	Distributed over respective heads of account.	2,18,74	..	2,18,74
	(V.—Ministry of External Affairs).				
110.	Capital Outlay of the Ministry of External Affairs.	Capital Outlay on Schemes of Government Trading.	46,44	..	46,44
	(VI.—Ministry of Finance).				
111.	Capital Outlay on the India Security Press.	Capital Outlay on the India Security Press.	11,07	..	11,07
112.	Capital Outlay on Currency and Coinage.	Currency Capital Account Outside the Revenue Account.	2,90,60	..	2,90,60
113.	Capital Outlay on Mints.	Capital Outlay on Mints.	46,20	..	46,20
114.	Commuted Value of Pensions.	Payments of Commuted Value of Pensions.	45,81	1,00	46,81
115.	Payments to Retrenched Personnel.	Payments to Retrenched Personnel.	12	..	12
116.	Other Capital Outlay of the Ministry of Finance.	Distributed over respective heads of account.	89,85,87	..	89,85,87
		TOTAL—CARRIED OVER	1,41,65,60	7,50	1,41,73,10

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No. of Demand	Service Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted Rs.	*Charged* Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		1,41,65,60	7,50	1,41,73,10
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF **LOANS** AND ADVANCES—*contd.*				
117.	Loans and Advances by the Central Government.		78,01,83	2,84,51,32	3,62,53,15
	Charged—Re-payment of Debt.		..	50,98,06,39	50,98,06,39
	(VII.—Ministry of Food and Agriculture).				
118.	Capital Outlay on Forests.	Capital Outlay on Forests.	9,51	..	9,51
119.	Purchase of Foodgrains	Capital Outlay on Schemes of Government Trading.	1,24,12,73	3,20	1,24,15,93
120.	Other Capital Outlay of the Ministry of Food and Agriculture.	Distributed over respective heads of account.	30,12,22	4	30,12,26
	(VIII.—Ministry of Health).				
121.	Capital Outlay of the Ministry of Health.	Capital Outlay on Schemes of Government Trading.	9,79,38	..	9,79,38
	(IX.—Ministry of Home Affairs).				
122.	Capital Outlay of the Ministry of Home Affairs.	Capital Outlay on Schemes of Government Trading.	1,12,61	..	1,12,61
	(X.—Ministry of Information and Broadcasting).				
123.	Capital Outlay on Broadcasting.	Capital Outlay on Broadcasting.	2,15,59	..	2,15,59
	(XI.—Ministry of Irrigation and Power).				
124.	Capital Outlay on Multipurpose River Schemes.	Capital Outlay on Multipurpose River Schemes.	4,22,00	..	4,22,00
125.	Other Capital Outlay of the Ministry of Irrigation and Power.	Distributed over respective heads of account.	5,58,49	..	5,58,49
	TOTAL—CARRIED OVER		3,96,89,96	53,82,68,45	57,79,58,41

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No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted Rs.	*Charged* Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD . .		3,96,89,96	*53,82,68,45*	57,79,58,41
	II.—EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES—*concld.*				
	(XII.—Ministry of Labour and Employment).				
126.	Capital Outlay of the Ministry of Labour and Employment.	Capital Outlay on Schemes of Government Trading.	11,55	..	11,55
	(XIII.—Ministry of Rehabilitation).				
127.	Capital Outlay of the Ministry of Rehabilitation.	Capital Outlay on Industrial Development.	21,00,00	..	21,00,00
	(XIV.—Ministry of Steel, Mines and Fuel).				
128.	Capital Outlay of the Ministry of Steel, Mines and Fuel.	Distributed over respective heads of account.	1,72,91,88	..	1,72,91,88
	(XV.—Ministry of Transport and Communications).				
129.	Capital Outlay on Ports.	Capital Outlay on Ports.	4,05,00	..	4,05,00
130.	Capital Outlay on Roads	Capital Outlay on Roads.	15,00,00	..	15,00,00
131.	Capital Outlay on Indian Posts & Telegraphs (not met from Revenue).	Capital Outlay on Posts and Telegraphs.	30,09,25	..	30,09,25
132.	Capital Outlay on Civil Aviation.	Capital Outlay on Civil Aviation.	3,23,67	*5,00*	3,28,67
133.	Other Capital Outlay of the Ministry of Transport and Communications.	Distributed over respective heads of account.	11,27,11	..	11,27,11
	(XVI.—Ministry of Works, Housing and Supply).				
134.	Delhi Capital Outlay.	Delhi Capital Outlay.	6,35,80	*8,90*	6,44,70
135.	Capital Outlay on Buildings.	Capital account of Civil Works outside the Revenue Account.	5,72,10	*5,70*	5,77,80
136.	Other Capital Outlay of the Ministry of Works, Housing and Supply.	Distributed over respective heads of account.	3,55,74	..	3,55,74
	(XVII.—Department of Atomic Energy).				
137.	Capital Outlay of the Department of Atomic Energy.	Distributed over respective heads of account.	5,19,00	..	5,19,00
	TOTAL—EXPENDITURE MET FROM CAPITAL ETC.		6,75,41,06	*53,82,88,05*	60,58,29,11
	GRAND TOTAL .		14,74,71,10	*56,49,85,97*	71,24,57,07

NOTE

In pursuance of Article 116 of the Constitution, Lok Sabha is being asked to vote a month's supply pending the detailed consideration of the Demands for Grants for the year 1958-59. This statement shows the sums required for meeting expenditure likely to be incurred during April, 1958. Broadly the provision represents one twelfth of the estimated gross expenditure included in the Demands for Grants for 1958-59, except in certain cases like Grants to States, Privy Purses, etc., to Rulers of Indian States, Purchase of opium, Purchases of foodgrains, etc., by the Ministry of Food, where the ratio cannot be applied rigidly and larger provision is required to meet the likely payments during April, 1958.

Estimate of expenditure for which a vote on account is required for the year ending the 31st March, 1959

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
I.—EXPENDITURE MET FROM REVENUE :				
(I.—MINISTRY OF COMMERCE AND INDUSTRY)				
1. Ministry of Commerce and Industry	66,43	..	5,54	..
2. Industries	26,90,99	..	2,24,25	..
3. Salt	1,58,04	*5,02*	13,17	*42*
4. Commercial Intelligence and Statistics	79,81	..	6,65	..
5. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	1,90,64	..	15,89	..
(II.—MINISTRY OF COMMUNITY DEVELOPMENT)				
6. Ministry of Community Development	21,99	..	1,83	..
7. Community Development Projects and National Extension Service	13,13,27	..	1,09,44	..
(III.—MINISTRY OF DEFENCE)				
8. Ministry of Defence . .	37,68	..	3,14	..
9. Defence Services, Effective Army	1,78,08,25	*2,50*	14,84,02	*21*
10. Defence Services, Effective—Navy	16,65,08	*50*	1,38,76	*4*
11. Defence Services, Effective—Air Force	88,54,15	*50*	7,37,85	*4*
12. Defence Services, Non-Effective Charges	13,70,49	*87,50*	1,14,21	*7,29*
(IV.—MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH)				
13. Ministry of Education and Scientific Research . . .	68,92	..	5,74	..
14. Archaeology	1,09,70	..	9,14	..
15. Survey of India . . .	1,71,11	..	14,26	..
16. Botanical Survey . . .	12,50	..	1,04	..
17. Zoological Survey . . .	11,87	..	99	..
18. Scientific Research . . .	6,38,98	..	53,25	..
19. Other Scientific Departments .	56,67	..	4,72	..
20. Education	25,37,10	..	2,11,42	..
21. Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific research	2,41,90	..	20,16	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on Account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(V.—MINISTRY OF EXTERNAL AFFAIRS)				
22. Tribal Areas	8,02,99	..	66,92	..
23. Naga Hills—Tuensang Area	3,64,57	..	30,38	..
24. External Affairs	8,78,80	..	73,23	..
25. State of Pondicherry	2,98,88	*40*	24,91	*3*
26. Miscellaneous Expenditure under the Ministry of Extenral Affairs	4,09	..	34	..
(VI.—MINISTRY OF FINANCE)				
27. Ministry of Finance	1,58,77	..	13,23	..
28. Customs	4,16,27	5	34,69	*1*
29. Union Excise Duties	7,86,89	*68,97,33*	65,57	*5,74,78*
30. Taxes on Income including Corporation Tax, etc.	5,41,40	*1,23*	45,12	*10*
31. Opium	2,42,18	..	2,07,84	..
32. Stamps	2,34,05	*8,48*	19,50	*71*
33. Audit	10,02,58	*20,47*	83,55	*1,71*
34. Currency	3,70,14	*11,12*	30,84	*93*
35. Mint	4,77,07	..	39,76	..
36. Territorial and Political Pensions	22,09	..	1,84	..
37. Superannuation Allowances and Pensions	3,51,00	*33,33*	58,50	*5,56*
38. Miscellaneous Departments and Other Expenditure under the Ministry of Finance	31,09,44	*1*	2,59,12	*1*
39. Planning Commission	2,10,00	..	17,50	..
40. Miscellaneous Adjustments between the Union and State Governments	6,66	..	55	..
41. Pre-partition Payments	34,42	*2,85*	2,87	*24*
Charged—Interest on Debt and other obligations and reduction or avoidance of Debt	..	*1,39,42,93*	..	*11,61,91*
Grants-in-aid to States	..	*46,96,70*	..	*11,74,17*
(VII.—MINISTRY OF FOOD AND AGRICULTURE)				
42. Ministry of Food and Agriculture	73,54	..	6,13	..
43. Forest	2,56,26	..	21,36	..
44. Agriculture	15,72,49	*1*	1,31,04	*1*
45. Civil Veterinary Services	1,48,25	..	12,35	..
46. Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture	13,80,85	..	1,15,07	..
(VIII.—MINISTRY OF HEALTH)				
47. Ministry of Health	13,71	..	1,14	..
48. Medical Services	5,18,73	..	43,23	..
49. Public Health	14,06,97	..	1,17,25	..
50. Miscellaneous Deartments and Expenditure under the Ministry of Health	87,61	..	7,30	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(IX.—MINISTRY OF HOME AFFAIRS)				
51. Ministry of Home Affairs	2,73,56	..	22,80	..
52. Cabinet	35,34	..	2,94	..
53. Zonal Councils	4,44	..	37	..
54. Administration of Justice	2,25	*14,87*	19	*1,24*
55. Police	4,93,68	..	41,14	..
56. Census	8,34	..	69	..
57. Statistics	1,81,12	..	15,09	..
58. Privy Purses and Allowances of Indian Rulers	4,91	*5,41,84*	1,23	*1,35,46*
59. Delhi	7,73,27	51	64,44	*4*
60. Himachal Pradesh	4,62,40	1,84	38,53	*15*
61. Andaman and Nicobar Islands	2,77,91	..	23,16	..
62. Manipur	2,16,72	..	18,06	..
63. Tripura	3,28,73	*50*	27,39	*4*
64. Laccadive, Minicoy and Amindivi Islands	19,74	..	1,64	..
65. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	8,75,72	..	72,98	..
(X.—MINISTRY OF INFORMATION AND BROADCASTING)				
66. Ministry of Information and Broadcasting	13,39	..	1,12	..
67. Broadcasting	4,01,00	..	33,42	..
68. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	3,34,11	..	27,84	..
(XI.—MINISTRY OF IRRIGATION AND POWER)				
69. Ministry of Irrigation and Power	19,67	..	1,64	..
70. Multi-purpose River Schemes	1,28,07	..	10,67	..
71. Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power	1,05,10	..	8,76	..
(XII.—MINISTRY OF LABOUR AND EMPLOYMENT)				
72. Ministry of Labour and Employment	17,47	..	1,46	..
73. Chief Inspector of Mines	23,04	..	1,92	..
74. Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	8,80,17	..	73,35	..
(XIII.—MINISTRY OF LAW)				
75. Ministry of Law	19,39	..	1,62	..
76. Elections	1,81,41	..	15,12	..
77. Miscellaneous Expenditure under the Ministry of Law	5,44	..	45	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(XIV.—MINISTRY OF REHABILITATION)				
78. Ministry of Rehabilitation . .	40,45	..	3,37	..
79. Expenditure on Displaced Persons and Minorities . .	20,48,25	..	1,70,69	..
(XV.—MINISTRY OF STEEL, MINES AND FUEL)				
80. Ministry of Steel, Mines and Fuel	33,49	..	2,79	..
81. Geological Survey . . .	1,31,85	..	10,99	..
82. Exploration of Oil and Natural Gas	2,18,35	..	18,20	..
83. Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel	49,62,52	..	4,13,54	..
(XVI.—MINISTRY OF TRANSPORT AND COMMUNICATIONS)				
84. Ministry of Transport and Communications . . .	76,62	..	6,38	..
85. Mercantile Marine Department .	62,10	..	5,17	..
86. Light-houses and Light-ships .	1,38,96	..	11,58	..
87. Central Road Fund . .	4,28,99	..	35,75	..
88. Communications (including National Highways) . .	6,03,69	..	50,31	..
89. Indian Posts and Telegraphs Department (including Working Expenses)	62,96,98	*3,17,17*	5,24,75	*26,43*
90. Meteorology	1,61,46	..	13,45	..
91. Overseas Communications Service	1,16,76	*7,00*	9,73	*58*
92. Aviation	3,79,52	..	31,63	..
93. Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications . . .	1,38,68	..	11,56	..
(XVII.—MINISTRY OF WORKS, HOUSING AND SUPPLY)				
94. Ministry of Works, Housing and Supply	56,71	..	4,73	..
95. Supplies	2,71,95	..	22,66	..
96. Other Civil Works . . .	25,12,32	*41,56*	2,09,36	*3,46*
97. Stationery and Printing . .	7,19,67	..	59,97	..
98. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	88,56	..	7,38	..
(DEPARTMENT OF ATOMIC ENERGY)				
99. Department of Atomic Energy .	9,08	..	76	..
100. Atomic Energy Research . .	3,30,80	..	27,57	..

Table of Demand or Appropriation	Total Demand (In thousand of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(XIX.—DEPARTMENT OF PARLIAMENTARY AFFAIRS)				
101. Department of Parliamentary Affairs	2,25	..	19	..
(XX.—LOK SABHA)				
102. Lok Sabha	1,03,03	*67*	12,88	*8*
103. Miscellaneous Expenditure under the Lok Sabha . .	34	..	34	..
(XXI.—RAJYA SABHA)				
104. Rajya Sabha . . .	33,31	*61*	4,16	
(XXII.—SECRETARIAT OF THE PRESIDENT)				
Charged—Staff, Household and Allowances of the President .	..	*18,37*		*1,53*
(XXIII.—SECRETARIAT OF THE VICE-PRESIDENT)				
105. Secretariat of the Vice-President	59	..	5	..
(XXIV.—UNION PUBLIC SERVICE COMMISSION)				
Charged—Union Public Service Commission	..	*42,05*	..	*3,50*
TOTAL—EXPENDITURE MET FROM REVENUE	7,99,30,04	2,66,97,92	68,84,56	31,00,76
II.—EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES:				
(I.—MINISTRY OF COMMERCE AND INDUSTRY)				
106. Capital Outlay of the Ministry of Commerce and Industry .	12,93,89	..	1,07,82	..
(II.—MINISTRY OF COMMUNITY DEVELOPMENT)				
107. Capital Outlay of the Ministry of Community Development .	2,33,36	..	19,45	..
(III.—MINISTRY OF DEFENCE)				
108. Defence Capital Outlay . .	29,93,50	*6,50*	2,49,46	*54*

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(IV.—MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH)				
109. Capital Outlay of the Ministry of Education and Scientific Research	2,18,74	..	18,23	..
(V.—MINISTRY OF EXTERNAL AFFAIRS)				
110. Capital Outlay of the Ministry of External Affairs . .	46,44	..	3,87	..
(VI.—MINISTRY OF FINANCE)				
111. Capital Outlay on India Security Press	11,07	..	92	..
112. Capital Outlay on Currency and Coinage	2,90,60	..	24,22	..
113. Capital Outlay on Mints . .	46,20	..	3,85	..
114. Commuted Value of Pensions .	45,81	*1,00*	3,82	*8*
115. Payments to Retrenched Personnel	12	..	1	..
116. Other Capital Outlay of the Ministry of Finance . .	89,85,87	..	7,48,82	..
117. Loans and Advances by the Central Government . .	78,01,83	*2,84,51,32*	11,50,15	*28,70,94*
Charged—Repayment of Debt. .	..	*50,98,06,39*	..	*5,22,00,00*
(VII.—MINISTRY OF FOOD AND AGRICULTURE)				
118. Capital Outlay on Forests .	9,51	..	79	..
119. Purchase of Foodgrains . .	1,24,12,73	*3,20*	14,00,00	*27*
120. Other Capital Outlay of the Ministry of Food and Agriculture	30,12,22	*4*	2,51,02	..
(VIII.—MINISTRY OF HEALTH)				
121. Capital Outlay of the Ministry of Health	9,79,38	..	81,62	..
(IX.—MINISTRY OF HOME AFFAIRS)				
122. Capital Outlay of the Ministry of Home Affairs . . .	1,12,61	..	9,38	..
(X.—MINISTRY OF INFORMATION AND BROADCASTING).				
123. Capital Outlay on Broadcasting	2,15,59	..	17,97	..
(XI.—MINISTRY OF IRRIGATION AND POWER)				
124. Capital Outlay on Multipurpose River Schemes . . .	4,22,00	..	35,17	..
125. Other Capital Outlay of the Ministry of Irrigation and power	5,58,49	..	46,54	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousand of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(XII.—MINISTRY OF LABOUR AND EMPLOYMENT)				
126. Capital Outlay of the Ministry of Labour and Employment .	11,55	..	96	..
(XIII.—MINISTRY OF REHABILITATION)				
127. Capital Outlay of the Ministry of Rehabilitation . . .	21,00,00	..	1,75,00	..
(XIV.—MINISTRY OF STEEL, MINES AND FUEL)				
128. Capital Outlay of the Ministry of Steel, Mines and Fuel .	1,72,91,88	..	14,40,99	..
(XV.—MINISTRY OF TRANSPORT AND COMMUNICATIONS)				
129. Capital Outlay on Ports . .	4,05,00	..	33,75	..
130. Capital Outlay on Roads .	15,00,00	..	1,25,00	..
131. Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	30,09,25	..	2,50,77	..
132. Capital Outlay on Civil Aviation	3,23,67	*5,00*	26,97	*42*
133. Other Capital Outlay of the Ministry of Transport and Communications . . .	11,27,11	..	93,93	..
(XVI.—MINISTRY OF WORKS, HOUSING AND SUPPLY)				
134. Delhi Capital Outlay . .	6,35,80	*8,90*	52,98	*74*
135. Capital Outlay on Buildings	5,72,10	*5,70*	47,68	*47*
136. Other Capital Outlay of the Ministry of Works, Housing and Supply	3,55,74	..	29,64	..
(XVII.—DEPARTMENT OF ATOMIC ENERGY)				
137. Capital Outlay of the Department of Atomic Energy . . .	5,19,00	..	43,25	..
TOTAL—EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES .	6,75,41,06	*53,82,88,05*	64,94,03	*5,50,73,46*
GRAND TOTAL . .	14,74,71,10	*56,49,85,97*	1,33,78,59	*5,81,74,22*

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1958

(TO BE INTRODUCED IN LOK SABHA)

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1958-59.

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows :—

1. *Short title.*—This Act may be called the Appropriation (Vote on Account) Act, 1958.

2. *Withdrawal of Rs.* 715, 52,81,000 *from and out of the Consolidated Fund of India for the financial year* 1958-59.—From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of seven hundred and fifteen crores, fifty-two lakhs and eighty-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1958-59.

3. *Appropriation.*—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the schedule in relation to the said year.

202 M. of Fin.—13

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry . .	5,54,000	..	5,54,000
2	Industries	2,24,25,000	..	2,24,25,000
3	Salt	13,17,000	*42,000*	13,59,000
4	Commercial Intelligence and Statistics . .	6,65,000	..	6,65,000
5	Miscellaneous Departments and expenditure under the Ministry of Commerce and Industry	15,89,000	..	15,89,000
6	Ministry of Community Development . .	1,83,000	..	1,83,000
7	Community Development Projects and National Extension Service	1,09,44,000	..	1,09,44,000
8	Ministry of Defence	3,14,000	..	3,14,000
9	Defence Services—Effective—Army . .	14,84,02,000	*21,000*	14,84,23,000
10	Defence Services—Effective—Navy . .	1,38,76,000	*4,000*	1,38,80,000
11	Defence Services—Effective—Air Force. .	7,37,85,000	*4,000*	7,37,89,000
12	Defence Services—Non-Effective Charges .	1,14,21,000	*7,29,000*	1,21,50,000
13	Ministry of Education and Scientific Research	5,74,000	..	5,74,000
14	Archaeology	9,14,000	..	9,14,000
15	Survey of India	14,26,000	..	14,26,000
16	Botanical Survey	1,04,000	..	1,04,000
17	Zoological Survey	99,000	..	99,000
18	Scientific Research	53,25,000	..	53,25,000
19	Other Scientific Departments . . .	4,72,000	..	4,72,000
20	Education	2,11,42,000	..	2,11,42,000
21	Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	20,16,000	..	20,16,000
22	Tribal Areas	66,92,000	..	66,92,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
23	Naga Hills-Tuensang Area	30,38,000	..	30,38,000
24	External Affairs	73,23,000	..	73,23,000
25	State of Pondicherry	24,91,000	*3,000*	24,94,000
26	Miscellaneous Expenditure under the Ministry of External Affairs	34,000	..	34,000
27	Ministry of Finance	13,23,000	..	13,23,000
28	Customs	34,69,000	*1,000*	34,70,000
29	Union Excise Duties	65,57,000	*5,74,78,000*	6,40,35,000
30	Taxes on Income including Corporation Tax, etc.	45,12,000	*10,000*	45,22,000
31	Opium	2,07,84,000	..	2,07,84,000
32	Stamps	19,50,000	*71,000*	20,21,000
33	Audit	83,55,000	*1,71,000*	85,26,000
34	Currency	30,84,000	*93,000*	31,77,000
35	Mint	39,76,000	..	39,76,000
36	Territorial and Political Pensions	1,84,000	..	1,84,000
37	Superannuation Allowances and Pensions	58,50,000	*5,56,000*	64,06,000
38	Miscellaneous Departments and Other Expenditure under the Ministry of Finance	2,59,12,000	*1,000*	2,59,13,000
39	Planning Commission	17,50,000	..	17,50,000
40	Miscellaneous Adjustments between the Union and State Governments	55,000	..	55,000
41	Pre-partition Payments	2,87,000	*24,000*	3,11,000
	CHARGED—*Interest on Debt and other obligations and reduction or avoidance of Debt.*	..	*11,61,91,000*	11,61,91,000
	Charged—*Grants-in-aid to States.*	..	*1,74,17,000*	11,74,17,000
42	Ministry of Food and Agriculture	6,13,000	..	6,13,000
43	Forest	21,36,000	..	21,36,000
44	Agriculture	1,31,04,000	*1,000*	1,31,05,000
45	Civil Veterinary Services	12,35,000	..	12,35,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
46	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture	1,15,07,000	..	1,15,07,000
47	Ministry of Health	1,14,000	..	1,14,000
48	Medical Services	43,23,000	..	43,23,000
49	Public Health	1,17,25,000	..	1,17,25,000
50	Miscellaneous Departments and Expenditure under the Ministry of Health	7,30,000	..	7,30,000
51	Ministry of Home Affairs	22,80,000	..	22,80,000
52	Cabinet	2,94,000	..	2,94,000
53	Zonal Councils	37,000	..	37,000
54	Administration of Justice	19,000	1,24,000	1,43,000
55	Police	41,14,000	..	41,14,00
56	Census	69,000	..	69,000
57	Statistics	15,09,000	..	15,09,000
58	Privy Purses and Allowances of Indian Rulers	1,23,000	1,35,46,000	1,36,69,000
59	Delhi	64,44,000	4,000	64,48,000
60	Himachal Pradesh	38,53,000	15,000	38,68,000
61	Andaman and Nicobar Islands	23,16,000	..	23,16,000
62	Manipur	18,06,000	..	18,06,000
63	Tripura	27,39,000	4,000	27,43,000
64	Laccadive, Minicoy and Amindivi Islands	1,64,000	..	1,64,000
65	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	72,98,000	..	72,98,000
66	Ministry of Information and Broadcasting	1,12,000	..	1,12,000
67	Broadcasting	33,42,000	..	33,42,000
68	Miscellaneous Department and Expenditure under the Ministry of Information and Broadcasting	27,84,000	..	27,84,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
69	Ministry of Irrigation and Power . . .	1,64,000	..	1,64,000
70	Multi-purpose River Schemes . . .	10,67,000	..	10,67,000
71	Miscellaneous Departments and Other expenditure under the Ministry of Irrigation and Power	8,76,000	..	8,76,000
72	Ministry of Labour and Employment . .	1,46,000	..	1,46,000
73	Chief Inspector of Mines	1,92,000	..	1,92,000
74	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	73,35,000	..	73,35,000
75	Ministry of Law	1,62,000	..	1,62,000
76	Elections	15,12,000	..	15,12,000
77	Miscellaneous Expenditure under the Ministry of Law	45,000	..	45,000
78	Ministry of Rehabilitation	3,37,000	..	3,37,000
79	Expenditure on Displaced Persons and Minorities	1,70,69,000	..	1,70,69,000
80	Ministry of Steel, Mines and Fuel . .	2,79,000	..	2,79,000
81	Geological Survey	10,99,000	..	10,99,000
82	Exploration of Oil and Natural Gas . .	18,20,000	..	18,20,000
83	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel	4,13,54,000	..	4,13,54,000
84	Ministry of Transport and Communications .	6,38,000	..	6,38,000
85	Mercantile Marine Department . . .	5,17,000	..	5,17,000
86	Light-houses and Light-ships . . .	11,58,000	..	11,58,000
87	Central Road Fund	35,75,000	..	35,75,000
88	Communications (including National Highways)	50,31,000	..	50,31,000
89	Indian Posts and Telegraphs Department (including Working Expenses) . . .	5,24,75,000	26,43,000	5,15,18,000
90	Meteorology	13,45,000	..	13,45,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
91	Overseas Communications Service . .	9,73,000	58,000	10,31,000
92	Aviation	31,63,000	..	31,63,000
93	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications	11,56,000	..	11,56,000
94	Ministry of Works, Housing and Supply .	4,73,000	..	4,73,000
95	Supplies	22,66,000	..	22,66,000
96	Other Civil Works	2,09,36,000	3,46,000	2,12,82,000
97	Stationery and Printing	59,97,000	..	59,97,000
98	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	7,38,000	..	7,38,000
99	Department of Atomic Energy . . .	76,000	..	76,000
100	Atomic Energy Research	27,57,000	..	27,57,000
101	Department of Parliamentary Affairs . .	19,000	..	19,000
102	Lok Sabha	12,88,000	8,000	12,96,000
103	Miscellaneous Expenditure under the Lok Sabha	34,000	..	34,000
104	Rajya Sabha	4,16,000	8,000	4,24,000
	CHARGED—*Staff, Household and allowances of the President*	..	1,53,000	1,53,000
105	Secretariat of the Vice-President . . .	5,000	..	5,000
	CHARGED—*Union Public Service Commission* .	..	3,50,000	3,50,000
106	Capital Outlay of the Ministry of Commerce and Industry	1,07,82,000	..	1,07,82,000
107	Capital Outlay of the Ministry of Community Development	19,45,000	..	19,45,000
108	Defence Capital Outlay	2,49,46,000	54,000	2,50,00,000
109	Capital Outlay of the Ministry of Education and Scientific Research	18,23,000	..	19,23,000
110	Capital Outlay of the Ministry of External Affairs	3,87,000	..	3,87,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
111	Capital Outlay on India Security Press . .	92,000	..	92,000
112	Capital Outlay on Currency and Coinage .	24,22,000	..	24,22,000
113	Capital Outlay on Mints	3,85,000	..	3,85,000
114	Commuted Value of Pensions . . .	3,82,000	8,000	3,90,000
115	Payments to Retrenched Personnel . .	1,000	..	1,000
116	Other Capital Outlay of the Ministry of Finance	7,48,82,000	..	7,48,82,000
117	Loans and Advances by the Central Government	11,50,15,000	28,70,94,000	40,21,09,000
	CHARGED—*Repayment of Debt* . . .	..	5,22,00,00,000	5,22,00,00,000
118	Capital Outlay on Forests	79,000	..	79,000
119	Purchase of Foodgrains	14,00,00,000	27,000	14,00,27,000
120	Other Capital Outlay of the Ministry of Food and Agriculture	2,51,02,000	..	2,51,02,000
121	Capital Outlay of the Ministry of Health .	81,62,000	..	81,62,000
122	Capital Outlay of the Ministry of Home Affairs	9,38,000	..	9,38,000
123	Capital Outlay on Broadcasting . . .	17,97,000	..	17,97,000
124	Capital Outlay on Multi-purpose River Scheme	35,17,000	..	35,17,000
125	Other Capital Outlay of the Ministry of Irrigation and Power	46,54,000	..	46,54,000
126	Capital Outlay of the Ministry of Labour and Employment	96,000	..	96,000
127	Capital Outlay of the Ministry of Rehabilitation	1,75,00,000	..	1,75,00,000
128	Capital Outlay of the Ministry of Steel, Mines and Fuel	14,40,99,000	..	14,40,99,000
129	Capital Outlay on Ports	33,75,000	..	33,75,000
130	Capital Outlay on Roads	1,25,00,000	..	1,25,00,000
131	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	2,50,77,000	..	2,50,77,000
132	Capital Outlay on Civil Aviation . . .	26,97,000	42,000	27,39,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Ra.	Rs.	Rs.
133	Other Capital Outlay of the Ministry of Transport and Communications . . .	93,93,000	..	93,93,000
134	Delhi Capital Outlay	52,98,000	74,000	53,72,000
135	Capital Outlay on Buildings. . . .	47,68,000	47,000	48,15,000
136	Other Capital Outlay of the Ministry of Works, Housing and Supply	29,64,000	..	29,64,000
137	Capital Outlay of the Department of Atomic Energy	43,25,000	.	43,25,000
	GRAND TOTAL . .	133,78,59,000	581,74,22,000	715,52,81,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, read with article 116 thereof, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made in advance by the Lok Sabha in respect of the estimated expenditure of the Central Government, excluding Railways, for a part of the financial year 1958-59.

NEW DELHI;
The 8th March, 1958.

B. R. BHAGAT.

LOK SABHA

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1958-59.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri B. R. Bhagat,*
Deputy Minister of Finance.)

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1958

(As passed by the Houses of Parliament)

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1958-59.

Be it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1 *Short title.*—This Act may be called the Appropriation (Vote on Account) Act, 1958.

2. *Withdrawal of Rs.* 715,52,81,000 *from and out of the Consolidated Fund of India for the financial year* 1958-59.—From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of seven hundred and fifteen crores, fifty-two lakhs and eighty-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1958-59.

3. *Appropriation.*—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	5,54,000	..	5,54,000
2	Industries	2,24,25,000	..	2,24,25,000
3	Salt	13,17,000	42,000	13,59,000
4	Commercial Intelligence and Statistics	6,65,000	..	6,65,000
5	Miscellaneous Departments and expenditure under the Ministry of Commerce and Industry	15,89,000	..	15,89,000
6	Ministry of Community Development	1,83,000	..	1,83,000
7	Community Development Projects and National Extension Service	1,09,44,000	..	1,09,44,000
8	Ministry of Defence	3,14,000	..	3,14,000
9	Defence Services—Effective—Army	14,84,02,000	21,000	14,84,23,000
10	Defence Services—Effective—Navy	1,38,76,000	4,000	1,38,80,000
11	Defence Services—Effective—Air Force	7,37,85,000	4,000	7,37,89,000
12	Defence Services—Non-Effectives Charges	1,14,21,000	7,29,000	1,21,50,000
13	Ministry of Education and Scientific Research	5,74,000	..	5,74,000
14	Archaeology	9,14,000	..	9,14,000
15	Survey of India	14,26,000	..	14,26,000
16	Botanical Survey	1,04,000	..	1,04,000
17	Zoological Survey	99,000	..	99,000
18	Scientific Research	53,25,000	..	53,25,000
19	Other Scientific Departments	4,72,000	..	4,72,000
20	Education	2,11,42,000	..	2,11,42,000
21	Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	20,16,000	..	20,16,000
22	Tribal Areas	66,92,000	..	66,92,000
23	Naga Hills-Tuensang Area	30,38,000	..	30,38,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
24	External Affairs	73,23,000	..	73,23,000
25	State of Pondicherry	24,91,000	3,000	24,94,000
26	Miscellaneous Expenditure under the Ministry of External Affairs	34,000	..	34,000
27	Ministry of Finance	13,23,000	..	13,23,000
28	Customs	34,69,000	1,000	34,70,000
29	Union Excise Duties	65,57,000	5,74,78,000	6,40,35,000
30	Taxes on Income including Corporation Tax etc.	45,12,000	10,000	45,22,000
31	Opium	2,07,84,000	..	2,07,84,000
32	Stamps	19,50,000	71,000	20,21,000
33	Audit	83,55,000	1,71,000	85,26,000
34	Currency	30,84,000	93,000	31,77,000
35	Mint	39,76,000	..	39,76,000
36	Territorial and Political Pensions	1,84,000	..	1,84,000
37	Superannuation Allowances and Pensions	58,50,000	5,56,000	64,06,000
38	Miscellaneous Departments and Other Expenditure under the Ministry of Finance	2,59,12,000	1,000	2,59,13,000
39	Planning Commission	17,50,000	..	17,50,000
40	Miscellaneous Adjustments between the Union and State Governments	55,000	..	55,000
41	Pre-partition Payments	2,87,000	24,000	3,11,000
	CHARGED—*Interest on Debt and other obligations and reduction or avoidance of Debt*	..	11,61,91,000	11,61,91,000
	CHARGED.—*Grants-in-aid to States*	..	11,74,17,000	11,74,17,000
42	Ministry of Food and Agriculture	6,13,000	..	6,13,000
43	Forest	21,36,000	..	21,36,000
44	Agirculture	1,31,04,000	1,000	1,31,05,000
45	Civil Veterinary Services	12,35,000	..	12,35,000
46	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture	1,15,07,000	..	1,15,07,000
47	Ministry of Health	1,14,000	..	1,14,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
48	Medical Services	43,23,000	..	43,23,000
49	Public Health	1,17,25,000	..	1,17,25,000
50	Miscellaneous Department and expenditure under the Ministry of Health	7,30,000	..	7,30,000
51	Ministry of Home Affairs	22,80,000	..	22,80,000
52	Cabinet	2,94,000	..	2,94,000
53	Zonal Councils	37,000	..	37,000
54	Administration of Justice	19,000	*1,24,000*	1,43,000
55	Police	41,14,000	..	41,14,000
56	Census	69,000	..	69,000
57	Statistics	15,09,000	..	15,09,000
58	Privy Purses and Allowances of Indian Rulers	1,23,000	*1,35,46,000*	1,36,69,000
59	Delhi	64,44,000	*4,000*	64,48,000
60	Himachal Pradesh	38,53,000	*15,000*	38,68,000
61	Andaman and Nicobar Islands	23,16,000	..	23,16,000
62	Manipur	18,06,000	..	18,06,000
63	Tripura	27,39,000	*4,000*	27,43,000
64	Laccadive, Minicoy and Amindivi Islands	1,64,000	..	1,64,000
65	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	72,98,000	..	72,98,000
66	Ministry of Information and Broadcasting	1,12,000	..	1,12,000
67	Broadcasting	33,42,000	..	33,42,000
68	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	27,84,000	..	27,84,000
69	Ministry of Irrigation and Power	1,64,000	..	1,64,000
70	Multi-purpose River Schemes	10,67,000	..	10,67,000
71	Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power	8,76,000	..	8,76,000
72	Ministry of Labour and Employment	1,46,000	..	1,46,000
73	Chief Inspector of Mines	1,92,000	..	1,92,000
74	Miscellaneous Departments and other Expenditure under the Ministry of Labour and Employment	73,35,000	..	73,35,000
75	Ministry of Law	1,62,000	..	1,62, 000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
76	Elections	15,12,000	..	15,12,000
77	Miscellaneous Expenditure under the Ministry of Law	45,000	..	45,000
78	Ministry of Rehabilitation	3,37,000	..	3,37,000
79	Expenditure on Displaced Persons and Minorities	1,70,69,000	..	1,70,69,000
80	Ministry of Steel, Mines and Fuel	2,79,000	..	2,79,000
81	Geological Survey	10,99,000	..	10,99,000
82	Exploration of Oil and Natural Gas	18,20,000	..	18,20,000
83	Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel.	4,13,54,000	..	4,13,54,000
84	Ministry ot Transport and Communications	6,38,000	..	6,38,000
85	Mercantile Marine Department	5,17,000	..	5,17,000
86	Light-houses and Light-ships	11,58,000		11,58,000
87	Central Road Fund	35,75,000	..	35,75,000
88	Communications (including National Highways)	50,31,000	..	50,31,000
89	Indian Posts and Telegraphs Department (including Working Expenses)	5,24,75,000	*26,43,000*	5,51,18,000
90	Meteorology	13,45,000	..	13,45,000
91	Overseas Communications Service	9,73,000	*58,000*	10,31,000
92	Aviation	31,63,000	..	31,63,000
93	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications	11,56,000	..	11,56,000
94	Ministry of Works, Housing nd Supply.	4,73,000	..	4,73,000
95	Supplies	22,66,000	..	22,66,000
96	Other Civil Works	2,09,36,000	*3,46,000*	2,12,82,000
97	Stationery and Printing	59,97,000	..	59,97,000
98	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	7,38,000	..	7,38,000
99	Department of Atomic Energy	76,000	..	76,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
100	Atomic Energy Research	27,57,000	..	27,57,000
101	Department of Parliamentary Affairs . .	19,000	..	19,000
102	Lok Sabha	12,88,000	8,000	12,96,000
103	Miscellaneous Expenditure under the Lok Sabha	34,000	..	34,000
104	Rajya Sabha	4,16,000	8,000	4,24,000
	CHARGED—*Staff, household and allowances of the President*	..	1,53,000	1,53,000
105	Secretariat of the Vice-President . . .	5,000	..	5,000
	CHARGED—*Union Public Service Commission* .	..	3,50,000	3,50,000
106	Capital Outlay of the Ministry of Commerce and Industry	1,07,82,000	..	1,07,82,000
107	Capital Outlay of the Ministry of Community Development	19,45,000	..	19,45,000
108	Defence Capital Outlay	2,49,46,000	54,000	2,50,00,000
109	Capital Outlay of the Ministry of Education and Scientific Research	18,23,000	..	18,23,000
110	Capital Outlay of the Ministry of External Affairs	3,87,000	..	3,87,000
111	Capital outlay on India Security Press . .	92,000	..	92,000
112	Capital Outlay in Currency and Coinage .	24,22,000	..	24,22,000
113	Capital Outlay on Mints	3,85,000	..	3,85,000
114	Commuted Value of Pensions . . .	3,82,000	8,000	3,90,000
115	Payments to Retrenched Personnel . .	1,000	..	1,000
116	Other Capital Outlay of the Ministry of Finance	7,48,82,000	..	7,48,82,000
117	Loans and Advances by the Central Government	11,50,15,000	28,70,94,000	40,21,09,000
	CHARGED—*Repayment of Debt*	..	5,22,00,000	5,22,00,00,000
118	Capital Outlay on Forests	79,000	..	79,000
119	Purchase of Foodgrains	14,00,00,000	27,000	14,00,27,000
120	Other Capital Outlay of the Ministry of Food & Agriculture	2,51,02,000	..	2,51,02,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
121	Capital Outlay of the Ministry of Health	81,62,000	..	81,62,000
122	Capital Outlay of the Ministry of Home Affairs	9,38,000	..	9,38,000
123	Capital Outlay on Broadcasting	17,97,000	..	17,97,000
124	Capital Outlay on Multi-purpose River Scheme	35,17,000	..	35,17,000
125	Other Capital Outlay of the Ministry of Irrigation and Power	46,54,000	..	46,54,000
126	Capital Outlay of the Ministry of Labour and Employment	96,000	..	96,000
127	Capital Outlay of the Ministry of Rehabilitation	1,75,00,000	..	1,75,00,000
128	Capital Outlay of the Ministry of Steel, Mines and Fuel	14,40,99,000	..	14,40,99,000
129	Capital Outlay on Ports	33,75,000	..	33,75,000
130	Capital Outlay on Roads	1,25,00,000	..	1,25,00,000
131	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	2,50,77,000	..	2,50,77,000
132	Capital Outlay on Civil Aviation	26,97,000	42,000	27,93,000
133	Other Capital Outlay of the Ministry of Transport and Communications	93,93,000	..	93,93,000
134	Delhi Capital Outlay	52,98,000	74,000	53,72,000
135	Capital Outlay on Buildings	47,68,000	47,000	48,15,000
136	Other Capital Outlay of the Ministry of Works, Housing and Supply	29,64,000	..	29,64,000
137	Capital Outlay of the Department of Atomic Energy	43,25,000	..	43,25,000
	GRAND TOTAL	133,78,59,000	581,74,22,000	715,52,81,000

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1958-59.

(As passed by the Houses of Parliament)

THE FINANCE BILL, 1958

(As introduced in Lok Sabha)

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1958-59.

Be it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1. **Short title**—This Act may be called the Finance Act, 1958.

2. **Income-tax and super-tax**—(1) Subject to the provisions of sub-sections (2) and (3), for the year beginning on the 1st day of April, 1958,—

(*a*) income-tax shall be charged at the rates specified in Part I of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein; and

(*b*) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (11 of 1922) (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein.

(2) In making any assessment for the year ending on the 31st day of March, 1959,—

(*a*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" or any income chargeable under the head "Interest on Securities" or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance (No. 2) Act, 1957 (26 of 1957), on his total income the same proportion as the amount of such inclusions bears to his total income;

(*b*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance (No. 2) Act, 1957 (26 of 1957), on his total income the same proportion as the amount of such inclusion bears to this total income.

(3) In cases to which section 17 of the Income-tax Act applies the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (1),—

(4) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income -tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

3. *Amendment of section* 4.—In section 4 of the Income-tax Act,—

(*i*) in sub-section (1), for the third proviso, the following proviso shall be substituted, namely:—

"Provided further that if in any year the amount of income accruing or arising without the taxable territories exceeds the amount brought into the taxable territories i n that year, there shall not be included in the assessment of the income of that year so much of such excess as does not exceed four thousand five hundred rupees, and where any part of such excess consists of salaries paid by the Government, a local authority or a corporation established by a Central, State or Provincial Act, the amount of such salaries not be included as aforesaid shall be further limited to a sum calculated at the rate of one thousand rupees for each month of service in respect of which the salaries are received abroad";

(*ii*) in sub-section (3),—

(1) for clause (*via*), the following clause shall be substituted, namely:—

"(*via*) subject to such conditions as the Central Government may prescribe,—

(*a*) passage moneys or the value of any free or concessional passage received by or due to any person, not being a citizen of India, from his employer for himself, his wife and children, in connection with his proceeding on home leave out of India; and

(*b*) the value of any travel concession or assistance received by or due to any person, being a citizen of India, from his employer for himself, his wife and children, in connection with his proceeding on leave to his home town or village in India";

(2) after clause (*xi*) the following clause shall be inserted, namely:—

"(*xia*) any income chargeable under the heads "Interest on Securities", "Income from Property" and "Income from other sources" of a Registered Trade Union within the meaning of the Indian Trade Union Act, 1926 (16 of 1926), formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen";

(3) for the *Explanation* to clause (*xiva*), the following *Explanation* shall be substituted, namely:—

'*Explanation*.—"Technician" means a person having specialised knowledge and experience in constructional or manufacturing operations, or in mining or in the generation or distribution of electricity or any other form of power, who is employed in India in a capacity in which such specialised knowledge and experience are actually utilised;

(4) in clause (*xxi*), after the words "Sixth Schedule to the Constitution", the words "or in the Union territory of Manipur" shall be inserted, and shall be deemed always to have been inserted.

4. *Amendment of section* 4A.—In section 4A of the Income-tax Act, for clause (c), the following clause shall be substituted, namely:—

"(c) A company is resident in the taxable territories in any year, if—

(*i*) it is an Indian company; or

(*ii*) during that year the control and management of its affairs is situated wholly in the taxable territories".

5. *Amendment of section* 7.—In section 7 of the Income-tax Act,—

(1) in sub-section (1), in the proviso to *Explanation* 2, for the words "State Government", the words "State Government, a local authority or a corporation established by a Central, State or Provincial Act" shall be substituted and shall be deemed always to have been substituted;

(2) in sub-section (2), for clause (*ii*), the following clause shall be substituted namely:—

"(*ii*) in respect of any allowance in the nature of an entertainment allowance specifically granted to the assessee by his employer—

(*a*) in the case of an assessee who is in receipt of a salary from the Government, a sum equal to one-fifth of his salary (exclusive of any special allowance, benefit or other perquisites) or five thousand rupees, whichever is less; and

(*b*) in the case of any other assessee, a sum equal to one-fifth of the salary (exclusive of any special allowance, benefit or other perquisites) or seven thousand and five hundred rupees, whichever is less, except in any case where the assessee was not in receipt of such entertainment allowance regularly from his present employer before the year beginning on the first day of April, 1955".

6. *Amendment of section* 9.—In section 9 of the Income-tax Act, after clause (*b*) of sub-section (4), the following clause shall be inserted and shall be deemed always to have been inserted, namely:—

"(c) taxes levied by local authority in respect of any property shall be deemed to include service taxes levied by the local authority in respect of the property."

7. *Amendment of section* 10.—In section 10 of the Income-tax Act,—

(1) for clause (*vib*) of sub-section (2), the following clause shall be substituted, namely:—

"(*vib*) in respect of a new ship launched or new machinery or plant installed after the 31st day of March, 1954, which is wholly used for the purposes of the business carried on by the assessee, a sum by way of development rebate in respect of the year of launching of the ship or of the installation of the machinery or plant, equivalent to,—

(*i*) in the case of a ship launched after the 31st day of December, 1957, forty per cent. of the actual cost of the ship to the assessee;

(*ii*) in the case of a ship launched before the 1st day of January, 1958, and in the case of any machinery or plant, twenty-five per cent. of the actual cost of the ship or machinery or plant to the assessee.

Provided that no allowance under this clause shall be made unless—

(*a*) the particulars prescibed for the purpose of clause (*vi*) have been furnished by the assessee in respect of the ship or machinery or plant; and

(*b*) except where the assessee is a company, being a licensee within the meaning of the Electricity (Supply) Act 1948, (54 of 1948), or where the ship has been launched or the machinery or plant has been installed before the 1st day of January, 1958, an amount equal to the allowance due is debited to the profit and loss account of the relevant previous year and credited to a reserve account to be utilised by him during a period of ten years next following only for the acquisition of assets for the purposes of the undertaking or for investment in the undertaking.

Provided further that, in the case of a ship launched or machinery or plant installed after the 31st day of December, 1957, the allowance of development rebate, under this clause shall be subject to the condition that the ship or machinery or plant is not sold or otherwise transferred by the assessee to any person other than the Government at any time before the expiry of ten years from the end of the year in which the ship was launched or the machinery or plant was installed.

(2) after sub-section (4A), the following sub-section shall be inserted and shall be deemed always to have been inserted, namely:—

"(4b) Nothing in clause (*vi*) or clause (*via*) of sub-section (2) shall be deemed to authorise the allowance for any previous year of any sum in respect of any building, machinery, plant or furniture sold, discarded, demolished or destroyed in that year."

8. *Amendment of section* 18.—In sub-section (2) of section 18 of the Income-tax Act, for the words" at a rate representing the average of the rates applicable to the estimated total income of the assessee under this head", the words "at a rate representing the average of the rates in force for the financial year in which he is required to deduct the tax which are applicable to the estimated total income of the assessee under this head" shall be substituted, and shall be deemed always to have been substituted.

9. *Amendment of section* 23 A.—In section 23 A of the Income-tax Act, in sub-section (1), for the words "unless he is satisfied that, having regard to the losses incurred by the company in earlier years or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonble", the following shall be substituted, namely:—

"unless he is satisfied—

(*i*) that, having regard to the losses incurred by the company in earlier years or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonable; or

(*ii*) that the payment of a dividend or a larger dividend than that declared would not have resulted in a benefit to the revenue;"

10. *Amendment of section* 35.—In section 35 of the Income-tax Act, after sub section (10), the following sub-section shall be inserted, namely:—

"(11) Where an allowance by way of development rebate has been made to an assessee in respect of a ship, machinery or plant in any year of assessment under clause (*vib*) of sub-section (2) of section 10 and subsequently at any time before the expiry of ten years from the end of the year in which the ship was launched or the machinery or plant was installed—

(*i*) the ship machinery or plant is sold or otherwise transferred by the assessee to any person other than the Government; or

(*ii*) the assessee utilises the amount credited to the reserve account under that clause for any purpose other than the acquisition of assets for the purposes of the undertaking or for investment in the undertaking:

the development rebate originally allowed shall be deemed to have been wrongly allowed, and the Income-tax Officer may, not withstanding anything contained in this Act, proceed to re-compute the total income of the assessee for the relevant year as if the re-computation is a rectification of a mistake apparent from the record within the meaning of this section, and the provisions of sub-section (*1*) shall apply accordingly, the period of four years specified therein being reckoned from the end of the year in which the transfer takes place or the money is so utilised".

11. *Substitution of new section for section* 44.—For *section* 44 of the Income-tax Act, the following section shall be substituted, namely:—

"44-*Liability in case of firm or association discontinued or dissolved.*—(*1*) Where any business, profession or vocation carried on by a firm or other association of persons has been discontinued or where a firm or other association of persons is dissolved the Income-tax Officer shall make an assessment of the total income of the firm or other association of persons as such as if no such discontinuance or dissolution had taken place.

(*2*) If the Income-tax Officer, the Appellate Assistant Commissioner or the Appelate Tribunal in the course of any proceedings under this Act in respect of any such firm or other association of persons as is referred to in sub-section (*1*) is satisfied that the firm or other association is guilty of any of the acts specified in clause (*a*) or clause (*b*) or clause (*c*) of sub-secion (*1*) of section 28, he or it may impose or direct the imposition of a penalty in accordance with the provisions of that section.

(*3*) Every person who was at the time of such discontinuance or dissolution a partner of the firm or a member of the association, as the case may be, shall be jointly and severally liable for the amount of tax or penalty payable, and all the provisions of Chapter IV so far as may be, shall apply to any such assessment or imposition of penalty."

12. *Amendment of section* 59.—In section 59 of the Income-tax Act, after clause (*a*) of sub-section (*2*), the following clause shall be inserted, namely:—

"(*aa*) provide for the determination of the value of any perquisite chargeable to tax under this Act in such manner and on such basis as appears to the Central Board of Revenue to be proper and reasonable:

Provided that the rules made in respect of the matters specified in this clause on the first occasion they are made shall not be subject to the condition of previous publication and may be given retrospective effect from such date as the Central Board of Revenue thinks fit:"

13. *Commencement of amendments to Act* 11 *of* 1922.—(*1*) The amendment to the Income-tax Act made by sub-clause (3) of clause (*ii*) of section 3 shall not apply—

(*a*) to a person to whom the second proviso to caluse (*xiva*) of sub-section (*3*) of section 4 of the Income-tax Act applies if his contract of service has been approved by the Central Government before the 1st day of March, 1958; or

(*b*) to any other person who arrives in India before the 1st day of April, 1958.

(*2*) Save as otherwise provided in sub-section (*1*) or elsewhere in this Act, the amendments to the Income-tax Act made by this Act shall have effect on and from the 1st day of April. 1958.

14. *Amendment of Act* 27 *of* 1957.—In the Wealth-tax Act, 1957, the following amendments shall be made and shall be deemed always to have been made, namely:—

(*a*) for clause (*h*) of section 2, the following clause shall be substituted, namely:—

(*h*) "company" means a company as defined in section 3 of the Companie Act, 1956 (1 of 1956) and includes—

(*i*) a company within the meaning of any law in force in the State of Jammu and Kashmir relating to companies; and

(*ii*) a company incorporated outside India which has a place of business in India" ;

(*b*) in clause (*xvi*) of sub-section (*1*), for the words "and post office national savings certificates", the words "post office national savings certificates and post office national plan certificates" shall be substituted;

(*c*) in section 6, for the words "In computing the net wealth of an individual", the words "In computing the net wealth of an individual who is not a citizen of India or of an individual" shall be substituted.

15. *Amendment of Act* 32 *of* 1934—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in Parts I, II and III of the Second Schedule.

16. *Amendment of Act* 1 *of* 1949.—(1) In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1958", the figures "1959" shall be substituted.

(*2*) For the removal of doubts it is hereby declared that the continuance by sub-section (1) of the amendments referred to in section 4 of the Indian Tariff (Amendment) Act, 1949 (1 of 1949), shall be subject to the amendments made in the Tariff Act by this Act, and further, be deemed always to have been subject to the amendments, if any, made in the Tariff Act by any act of Parliament passed after the commencement of the Indian Tariff (Amendment) Act, 1949.

17. *Amendment of Act* 1 *of* 1944.—In the First Schedule to the Central Excises and Salt Act, 1944,—

(*a*) in item No. 9,—

(*i*) for sub-item I(5)(iii), the following shall be substituted, namely:—
"(*iii*) granule ('rawa') of tobacco capable of passing through a sieve having 16 uniform circular or square apertures per linear inch";

(*ii*) the *Explanation* to sub-item I(5) shall be omitted;

(*b*) in Item No. 15, for the entry in the third column, the entery "Twenty four rupees per ton" shall be subsituted.

18. *Discontinuance of salt duty*.—For the year beginning on the 1st day of April, 1958, no duty under the Central Excises and Salt Act, 1944(1 of 1944) or the Tariff Act shall be levied in respect of salt manufactured in, or imported into India.

Declaration under the Provisional Collection of Taxes Act, 1931
(16 OF 1931)

It is hereby declared that it is expedient in the public interest that the provisions of clauses 15, 16 and 17 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

THE FIRST SCHEDULE

(*See* section 2)

PART I

Income-tax and surcharge on income-tax

Paragraph A

(*i*) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case.

Rates of Income-tax

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor co-parcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor co-parcener.	
	Rs.	Rs.	Rs.	
(1) On the first	3,000 of total income	3,300 of total income	3,600 of total income	*Nil*
(2) On the next	2,000 ,,	1,700 ,,	1,400 ,,	3%
(3) On the next	2,500 ,,	2,500 ,,	2,500 ,,	6%
(4) On the next	2,500 ,,	2,500 ,,	2,500 ,,	9%
(5) On the next	2,500 ,,	2,500 ,,	2,500 ,,	11%
(6) On the next	2,500 ,,	2,500 ,,	2,500 ,,	14%
(7) On the next	5,000 ,,	5,000 ,,	5,000 ,,	18%

(*ii*) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons, not being a case to which Paragraph B or Paragraph C or Paragraph D of this Part applies :—

	Rs.	
(1) On the first	1,000 of total income	*Nil*
(2) On the next	4,000 ,,	3%
(3) On the next	2,500 ,,	6%
(4) On the next	2,500 ,,	9%
(5) On the next	2,500 ,,	11%
(6) On the next	2,500 ,,	14%
(7) On the next	5,000 ,,	18%
(8) On the balance of total income		25%

Provided that for the purposes of this Paragraph—

(*i*) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(*ii*) the income-tax payble shall in no case exceed half the amount by which the total income exceeds the said limit;

(*iii*) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(*a*) the income-tax which would have been payable if the total income had been Rs. 20,000 ;

(*b*) half the amount by which the total income exceeds Rs. 20,000;

The limit aforesaid shall be—

(*i*) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living members of the family;

(*ii*) Rs. 3,000 in every other case.

Surcharges on Income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of income-tax; and

(*ii*) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000.

(*b*) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income;

Provided that—

(*i*) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below;

(*ii*) no special surcharge on unearned income shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less:

Provided further that—

(*a*) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge on unearned income shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case ;

(*b*) the surcharge for purposes of the Union and the special surcharge on unearned income, both together, shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(*i*) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 7,500 in every other case.

Explanation.—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grandfather not with standing any custom to the contrary.

Paragraph B

In the case of every company and local authority,—

Rates of income-tax

On the whole of the total income . . . . . 30%.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 5 per cent. thereon.

Paragraph C

(1) In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rates of income-tax-

On the whole of the total income. 25%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 20 percent thereon.

(2) In every case in which under the provisions of the Income-tax Act, income-tax is to be deducted at the maximum rate, deduction shall be made from the whole income which is to be subjected to such deduction at the following rates, namely:—

	Rate of income-tax on the whole income	Rate of surcharge on the whole income
In the case of every company	30%	1.5%
In any other case	25%	5%

Paragraph D

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 40,000 of total income	*Nil*
(2) On the next Rs.35,000 of total income	5%
(3) On the next Rs. 75,000 of total income	6%
(4) On the balance of total income	9%

PART II

Super-tax and surcharge on super-tax;
Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income	*Nil*
(2) On the next Rs. 5,000 of total income	5%
(3) On the next Rs.5,000 of total income	15%
(4) On the next Rs.10,000 of total income	20%
(5) On the next Rs.10,000 of total income	30%
(6) On the next Rs.10,000 of total income	35%
(7) On the next Rs.10,000 of total income	40%
(8) On the balance of total income	45%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of super-tax; and

(*ii*) where the earned income included in the total income exceeds Rs.1,00,000, five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(*b*) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income.

Paragraph B

In the case of every local authority,—

Rates of super-tax

On the whole of the total income. 16%

Surcharges on super-tax

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 12 1/2 % thereon.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income . . . . . *Nil*

(2) On the balance of total income. 16%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12 1/2% thereon.

Paragraph D

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of super-tax

On the whole of its profits and gains from life insurance business . 11%

In the case of every other company,—

Rates of super-tax

On the whole of the total income 50%

Provided that,—

(*i*) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(*a*) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1959, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(*b*) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000 ;

(*ii*) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 30% on the balance of the total income shall be allowed in the case of any company which satisfies condition (*a*) but not condition (*b*) of the preceding caluse;

(*iii*) a rebate at the rate of 40% on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 20 % on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses :

Provided further that,—

(*i*) the amount of the rebate under clause (*i*) or clause (*ii*) shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder :—

(*a*) on that part of the aggregate of the sums arrived at in accordance with clause (*i*) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance (No. 2) Act, 1957 (26 of 1957), as has not been deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to nil.	The whole amount of such part.
(*b*) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except to the extent to which such bonus shares or bonus have been issued out of premiums received in cash on the issue of its shares ; and	at the rate of 30%
(*c*) in addition, in the case of a company referred to in clause (*ii*) of the preceding proviso which has distributed to its share-holders during the previous year dividends in excess of six per cent of its paid-up capital, not being dividends payable at a fixed rate—	
(A) in the case of a company which is not such as is referred to in sub-section (9) of section 23A of the Income-tax Act,—	
on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital ;	at the rate of 10%
on that part of the said dividends which exceeds 10 per cent. of the paid-up capital ; and	at the rate of 20%
(B) in the case of any other company—	
on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital ;	at the rate of 10%
on that part of the said dividends which exceeds 10 per cent. but does not exceed 18 per cent. of the paid-up capital;	at the rate of 10% 20%
on that part of the said dividends which exceeds 18 per cent. of the paid-up capital;	at the rate of 30%

(*ii*) where the sum arrived at in accordance with clause (*i*) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (*i*) or clause (*ii*), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (*a*), (*b*) and (*c*) of clause (*i*) of this proviso as is sufficient in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose :

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand shall not exceed the aggregate of—

(*a*) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand, and

(*b*) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this paragraph—

(*i*) the expression "paid-up capital" means the paid-up capital (other than capital entitled to a dividend at a fixed rate) of the company as on the first day of the previous year relevant to the assessment for the year ending on the 31st day of March, 1959, increased by any premiums received in cash by the company on the issue of its shares, standing to the credit of the share premium account as on the first day of the previous year aforesaid ;

(*ii*) the expression "dividend" shall be deemed to include any distribution included in the expression "dividend" as defined in clause (6A) of section 2 of the Income-tax Act ;

(*iii*) where any portion of the profits and gains of the company is not included in its total income by reason of such portion being exempt from tax under any provision of the Income-tax Act, the "paid-up capital" of the company, the amount distributed as dividends (not being dividends payable at a fixed rate), the amount representing the face value of any bonus shares and the amount of any bonus issued to the share-holders shall each be deemed to be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year other than capital receipts, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss account for that year.

THE SECOND SCHEDULE

(*See* section 15)

PART I

In the First Schedule to the Tariff Act,—

(*i*) in Item No. 47(2), for the existing entry in the fourth column, the entry "Rs. 3 per pound or 50 per cent. *ad valorem*, whichever is higher, *plus* the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be substituted ;

(*ii*) in Item No. 63 (24), for the existing entries in the fourth and fifth columns, the entries "50 per cent. *ad valorem*" and "40 per cent. *ad valorem*" shall respectively be substituted ;

(*iii*) in Item No. 63(33), for sub-item (*b*) in the second column, the following sub-item shall be substituted, namely:—

"(*b*) machines screws, including the following types the shank of which has been threaded to within two pitches from the head, namely:—

(*i*) mushroom head roofing bolts, all types ;

(*ii*) hexagonal head bolts, all types ;

(*iii*) mudguard cycle bolts (with threading other than British Standard cycle threading).".

PART II

In the First Schedule to the Tariff Act, for Items Nos. 28(27), 28(28) and 71 (13), the following items shall respectively be substituted, namely :—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protection rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
"28(27)	Antibiotics, such as streptomycin, gramicidin, tyrocidine, tyrothricin and preparations which contain only one antibiotic and are free from other therapeutic ingredients, but not including penicillin in bulk, and penicillin and its products specified in Items Nos. 28(26) and 28(26A).	Preferential Revenue	20 per cent. *ad valorem*	14 per cent. *ad valorem*	14 per cent. *ad valorem*	..
28(28)	(*a*) Sulpha drugs and preparations which contain only one sulpha drug and are free from other therapeutic ingredients;	Preferential Revenue	20 per cent. *ad valorem*	14 per cent. *ad valorem.*	14 per cent. *ad valorem*	..
	(*b*) Vitamins and vitamin preparations (excluding fish liver oils) free from other therapeutic ingredients.	Preferential Revenue	20 per cent. *ad valorem*]	14 per cent. *ad valorem*	14 per cent. *ad valorem*	..
71(13)	(1) Zip fasteners—					
	(*a*) with metal teeth other than those specified in category (*b*).	Revenue	100 per cent. *ad valorem* or Re. 1 per foot, whichever is higher.	..	..	..
	(*b*) with metal teeth having not more than 9 teeth per inch on either side and in which the total width of the metal portion in the closed state is not less than 8 m. m.	Revenue	100 per cent. *ad valorem* or Re. 1 per foot, whichever is higher.	..	..	..
	(*c*) not otherwise specified . .	Revenue	100 per cent. *ad valorem* or Re. 1 per foot, whichever is higher.	..	..	..
	(2) Parts of Zip fasteners—					
	(*a*) teeth, that is to say, each of the two sides of teeth, whether imported in continuous lengths or cut to size and whether imported in interlocking pairs or not.	Revenue	100 per cent. *ad valorem* or 50 *naye paise* per foot, whichever is higher.	..	..	..
	(*b*) others	Revenue	100 per cent. *ad valorem*	..	..	.. "

PART III

In the Second Schedule to the Tariff Act, in Item No. 9, for the existing entry in the second column, the entry "Mustard oil (including rapeseed oil, jamba oil and radish seed oil)" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to give effect to the financial proposals of the Central Government for the next financial year and to provide for certain connected matters. The notes on clauses explain the various provisions contained in the Bill.

J. NEHRU

NEW DELHI ;

The 28th February, 1958.

Notes on clauses

Clause 2 continues for the current financial year the rates of income-tax and super-tax prescribed by the Finance (No. 2) Act, 1957, subject to one minor modification, namely, abolition of the top-most slab of 30 per cent. n the rate of super-tax payable with reference to excess dividends, in the case of companies which fall within the scope of section 23A of the Income-tax Act.

Clause 3 makes the following amendments in section 4:—

(*i*) Sub-clause (*i*) provides that the exemption up to Rs. 4,500 allowable to a person resident in India in respect of his unremitted foreign income shall be further limited in the case of employees of Government, local authority or a statutory corporation, so as not to exceed a sum calculated at the rate of Rs. 1,000 for each month of service in respect of which the salary is drawn abroad.

(*ii*) Sub-clause (*ii*) (*1*) extends the exemption at present available to persons who are not citizens of India in respect of the value of any free or concessional passages on home leave, outside India received by them from their employers in India, to similar travel concessions received by citizens of India for going on leave to their home towns or villages in India.

(*iii*) Sub-clause (*ii*) (*2*) seeks to exempt investment income of trade unions.

(*iv*) Sub-clause (*ii*) (*3*) amends the definition of "technician" so as to make it clear that only industrial personnel, in the strict sense of the term, are covered thereby.

(*v*) Sub-clause (*ii*) (*4*) is intended to extend the exemption now enjoyed by members of Scheduled Tribes residing in the tribal areas of Assam to members of the said tribes who may be residing in the Union territory of Manipur.

Clause 4 makes an amendment to clause (*c*) of section 4A with a view to removing one of the tests laid down therein for determining the residence of a company in the taxable territories, namely, the test of income arising in India exceeding the income arising outside India.

Clause 5 makes the following amendments in section 7:—

(*i*) Sub-clause (*i*) extends the exemption at present allowed in respect of death-*cum*-retirement gratuity benefits received from Government to similar gratuities received from local authorities or corporations established by Central, State or Provincial Acts.

(*ii*) At present entertainment allowance received by an employee in a case where he has been in receipt of such allowance regularly from his employer before 1st April, 1955, is exempt upto a limit of one-fifth of his salary or Rs. 7,500 whichever is less. Sub-clause (*ii*) to remove this restriction of receipt of such allowances before 1st April, 1955, in the case of persons in receipt of salaries from the Government, but reduces the limit in their cases to one-fifth of the salary or Rs. 5,000 whichever is less.

Clause 6 amends sub-section (*4*) of section 9 to make it clear that taxes in respect of property include service taxes.

Clause 7 makes the following amendments :—

(*i*) Sub-clauses (*i*) increases the development rebate admissible in the case of ships launched after 31st December, 1957, from 25 per cent. to 4

per cent. Further, in the case of ships launched or machinery and plant installed after 31st December, 1957, the grant of the development rebate is made subject to the conditions (*i*) that the allowance is not utilised by the assessee for distribution of dividends for a period of ten years and (*ii*) that the asset is also not sold during the said period.

(*ii*) Sub-clause (*ii*) seeks to make it clear that the depreciation or additional depreciation allowances admissible under clauses (*vi*) and (*via*) of sub-section (2) of section 10 shall not be allowed for the year in which the relevant assets are sold or otherwise disposed of because in those circumstances the necessary relief is secured by the provisions of clause (*vii*) of sub-section (2) of section 10.

Clause 8 makes a verbal change in sub-section (2) of section 18 in order to make it clear that the rates for deduction of taxes at source from salaries are the rates in force for the financial year in which the deduction of the tax is to be made.

Clause 9 amends section 23A to provide for the non-application of that section to cases where the payment of a dividend or a larger dividend than that declared by a company would not have resulted in a benefit to the revenue.

Clause 10 amends section 35 as a consequence of the amendments proposed in clause 7. This amendment will enable assessments being revised wherever the development rebate becomes inadmissible by reason of the contravention by the assessees of any of the conditions imposed for the purpose of getting the rebate.

Clause 11 recasts section 44 so as to provide a complete machinery for the assessment (including the levy of penalty) of, and the collection of the tax from firms or other association of persons which have been discontinued or dissolved.

Clause 12 gives power to the Central Board of Revenue to frame rules for determining the value of any perquisite chargeable to tax under the head "salaries."

Clause 13 contains a formal provision with respect to the commencement of the various provisions in this Bill.

Clause 14 makes the following amendments in the Wealth-tax Act, 1957 :—

(*i*) Sub-clause (*a*) amends the definition of "company" in section 2 to make it clear that companies incorporated in the State of Jammu and Kashmir under the State law are also within the scope of the Act.

(*ii*) Sub-clause (*b*) amends section 5 to include post office national plan certificates within the list of exemptions.

(*iii*) Sub-clause (*c*) amends section 6 in order to make it clear that in the case of an individual who is not a citizen of India his foreign assets and debts are to be excluded in the computation of his net wealth.

Clause 15, read with the Second Schedule, proposes certain changes in the import and export Tariffs,—

(*a*) The present statutory rate of import duty of Rs. 3 per pound on art silk yarn and thread is proposed to be changed to Rs. 3 per pound or 50 per cent. *ad valorem* whichever is higher *plus* the excise duty. This is because the specific rate of duty has been found to be inadequate in the case of costlier varieties of art silk yarn such as nylon and perlon. The proposed change in the pattern of duty will, besides bringing in additional revenue, also act as an incentive for larger imports of cheaper yarn for the same foreign exchange outlay.

(*b*) The rates of duty of 25 per cent. *ad valorem* (Standard) and 15 per cent. *ad valorem* (Preferential) on iron or steel barbed or stranded wire and wire rope falling under item 63(24) of the Import Tariff, are proposed to be raised to 50 per cent. *ad valorem* (Standard) and 40 per cent. *ad valorem* (Preferential) in order that these finished products may bear a higher duty than the raw material, steel wire.

(c) Changes, mainly verbal, proposed in the other items are not of much revenue significance.

Clause 16 seeks to maintain for another year the *status quo* in regard to commitments under the General Agreement on Tariffs and Trade.

Clause 17. Sub-caluse (*a*) seeks to make a clarificatory amendment in sub-item I(5) of item No. 9 relating to unmanufactured tobacco, other than flue cured.

Sub-clause (*b*) proposes an increase in excise duty on cement from Rs. 20 to Rs. 24 per ton.

Clause 18, like section 6 of the Finance Act, 1957, provides that salt shall be duty-free for anothe year.

LOK SABHA

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BILL

to give effect to the financial proposals of the Central Government for the financial year 1958-59.

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*J. Nehru,*
Minister for Finance.)

Memorandum explaining the provisions in the Finance Bill, 1958, The Gift Tax Bill, 1958 and the Estate Duty (Amendment) Bill, 1958 (clauses referred to are clauses in the Bill)

FINANCE BILL, 1958

I. INCOME-TAX

It is proposed that the rates of tax applicable for the current financial year 1957-58 be continued for the next financial year 1958-59 with one small modification as under.

At present, all companies, including a company to which the provisions of Section 23A of the Income-tax Act are applicable, are subject to the graduated rate of super-tax on all dividends declared in excess of six per cent of the paid-up capital. These rates are as under :—

On that part of the said dividends which exceeds 6% but does not exceed 10% of the paid-up capital	At the rate of 10 per cent.
On that part of the said dividends which exceeds 10% but does not exceed 18% of the paid-up capital	At the rate of 20 per cent.
On that part of the said dividends which exceeds 18% of the paid-up capital . . .	At the rate of 30 per cent.

It is now proposed to vary the slabs and the rates for excess dividend super-tax in the case of a Section 23A company, that is to say, a company in which the public are not substantially interested. The proposed slabs and rates are :—

On that part of the dividends which exceeds 6% but does not exceed 10% of the paid-up capital	At the rate of 10 per cent.
On that part of the dividends which exceeds 10 per cent of the paid-up capital . . .	At the rate of 20 per cent.

(Clause 2 Part II, First Schedule)

AMENDMENTS TO THE INCOME-TAX ACT

PROPOSALS WHICH HAVE THE EFFECT OF REDUCING THE TAX LIABILITY

I. Exemption of the value of travel concessions received by employees on leave to their home-towns or villages in India.

At present, the value of free of concessional passages received by a non-Indian national from his Indian employer in connection with his proceeding on home leave out of India is exempt from tax under certain conditions. A similar concession is now proposed to be granted for Indian employees proceeding on home leave to their home town or village within India.

[Clause 3(ii) (1)]

II. Exemption of Investment income of registered trade unions.

A worker's trade union is essentially a welfare organization for its members. It is therefore, proposed to exempt such trade unions from income-tax on the income they derive from the investment of their surplus funds.

[Clause 3(ii) (2)

III. Exemption of Scheduled Tribes who migrate to the Union territory of Manipur.

Members of the Assam Hill tribes are at present exempted from tax so long as they reside within the tribal areas. Some of these tribes have now migrated to or are resident in the adjacent Union territory of Manipur. It is therefore proposed to extend the exemption to cover such cases also.

[Clauses 3(ii) (4)]

IV. Exemption of gratuities payable by local authorities to their employees.

At present, gratuity payments for past services paid to Government employees under the Pension Schemes of the Central or State Governments are exempted from tax. Similar schemes have been adopted by some municipal corporations, for their employees. It is therefore proposed to extend the exemption to employees of all local authorities and statutory corporations having similar death-*cum*-retirement gratuity schemes for their employees.

[Clause 5(1)]

V. Exemption of entertainment allowance received by Government employees.

At present, entertainment allowance received by all employees (including Government employees) from their employers are exempted from tax, upto the limit of 1/5th of salary or Rs. 7,500, which ever is less, provided the employees concerned were in receipt of such entertainment allowances before 1st April, 1955. It is now proposed to exempt the entertainment allowances paid by Government even though the persons concerned were not in receipt of such allowances before 1st April, 1955, but at the same time, to restrict the exemption upto 1/5th of salary or Rs. 5,000, whichever is less. The existing provisions will continue to apply only in the case of non-Government employees.

[Clause 5(2)]

PROPOSALS WHICH HAVE THE EFFECT OF INCREASING TAX LIABILITY

VI. Restriction of tax-free allowance for income earned abroad but not brought into India.

At present, an assessee who is resident in India is entitled to exemption from Indian income-tax on his foreign income retained or spent abroad, upto a maximum of Rs. 4,500. It is now proposed to restrict the exemption in the case of employees of Government, local authorities or statutory corporations, to a sum calculated at the rate of Rs. 1,000 for each month of service in respect of which the salary is received abroad.

[Clause 3 (i)]

VII. Stricter definition of "Technician" for purposes of income-tax exemption.

The law at present exempts the imcome of foreign technicians in India under certain circumstances. The present definition of "Technician" has been found to be capable of a wider interpretation than was intended. It is, therefore, proposed to re-define the term so as to restrict the exemption to experts engaged in the fields of constructional or manufacturing operations or of mining, and generation or distrubution of electricity or any other form of power. However, persons already exempted under the old definition will not be adversely affected.

[Clause 3(ii) (3)]

VIII. Allowance of development rebate made subject to certain conditions.

Under the existing law, an assessee carrying on a business is entitled to a development rebate at the rate of 25% of the actual cost of all new machinery or plant installed during the relevant previous year. It is proposed, firstly to increase the rate of allowance to 40% in the case of a new ship launched after the 31st day of December, 1957. In the case of any other new machinery or plant, the rate shall continue to be 25%.

Secondly, in order to secure that the development rebate is availed of for the development of the industry, and is not frittered away otherwise, it is proposed that the grant of this development rebate shall be subject to the following conditions :—

(a) an amount equal to the development rebate is debited to the profit and loss account of the relevant previous year and credited to a reserve account;

(b) this amount is utilised by the assessee during a period of ten years next following only for the acquisition of assets for the purposes of the undertaking or for investment in the undertaking ;

(c) the asset on which the development rebate is allowable shall not be sold or otherwise transferred by the assessee before the expiry of ten years from the end of the year in which the new asset was put to use.

By a consequential amendment to section 35 of the Act, it is proposed to secure that an infringement of any of the above-mentioned conditions will lead to the disallowance of the development rebate earlier granted by revision of the assessment of the year in which such allowance was originally given.

It is further proposed that no depreciation allowances shall be granted on buildings, plant, machinery, etc., in respect of the year in which such assets are sold, discarded, demolished or destroyed, because, in those circumstances, the necessary relief is secured by the provisions of section 10(2) (vii) of the Income-tax Act.

(Clauses 7 and 10)

MISCELLANEOUS

IX. Amendment of the definition of a "resident company".

At present, a company is resident in India in any year—

(a) if the control and management of its affairs is situated wholly in India in that year ; or

(b) if its Indian income in that year exceeds its foreign income.

It is now proposed to delete the condition (b) above, so that companies incorporated abroad will be resident in India only if the control and management is wholly in India. This is also the recommendation of the Taxation Enquiry Commission. At the same time, it is proposed to treat all companies incorporated in India as resident companies, even if in some cases the control and management is shifted outside India.

(Clause 4)

X Computation of income from property—deduction of municipal taxes—clarification of.

At presnt, one-half the total amount of municipal taxes levied on house properties is deductable in the computation of the taxable income from the property. The intention of the Government always was that all taxes levied by local

authorities in relation to house properties, under whatever description, should be regarded as the property tax for this purpose. Recently, however, one High Court has held that certain kinds of taxes like water taxes, conservancy taxes, etc., which are "service taxes" cannot be included in municipal property tax and have therefore to be wholly deducted in the computation of income. It is now proposed to amend the law clarifying the original intention.

(Clause 6)

XI. Amendment of Section 18(2) of the Income-tax Act.

The purpose of this amendment is to clarify beyond doubt that the rates of tax to be applied for purposes of deduction of tax at source on salary incomes shall be the rates in force for the financial year in which the employer is required to deduct the tax.

(Clause 8)

XII. Inapplicability of Section 23A in cases which will not result in any benefit to revenue.

It is visualized that in certain circumstances the declaration of a dividend or a larger dividend than that declared will only result in a loss to revenue, *e.g.*, a case in which most of the shares are held by charitable institutions which are exempt from tax. It would, therefore, be pointless, in such cases, to insist on Section 23A companies declaring larger dividends, under pain of imposition of a penal super-tax. It is, therefore, proposed that in such circumstances, the Income-tax Officer may refrain from applying the provisions of Section 23A.

(Clause 9)

XIII. Clarification of liability to assessment in the case of a firm, or association of persons discontinued or dissolved.

Proceedings for assessment and levy of penalty have sometimes to be started against a partnership firm of association of persons after its discoutinuance or dissolution. The existing provision in the law enabling these processes, as interpreted by some High Courts recently, are in-effective. It is, therefore, proposed to amend the law suitably.

(Clause 11)

XIV. Power to Central Board of Revenue to make rules for determining the value of perquisites.

It is proposed to empower the Central Board of Revenue to make the rules for determining the value of perquisites chargeable to tax in the case of salaried employees.

(Clause 12)

II. WEALTH TAX

XV. Re-definitition of "company" to include companies in Jammu and Kashmir.

A company as at present defined in the Wealth Tax Act will exclude a company formed and registered in the State of Jammu and Kashmir from the scope of this Act as the Companies Act, 1956, does not extend to that State. It is, therefore, proposed to make it clear that companies formed and registered in that State also fall within the scope of the Wealth Tax Act.

XVI. Exemption for investments in National Plan Certificates.

It is proposed that the exemption from wealth-tax be extended to the newly issued Post Office National Plan Certificates, which have the same characteristics as the Treasury Savings Deposit Certificates etc., already exempted.

XVII. Exemption of foreign nationals from wealth-tax on their foreign assets.

Under section 6, as at present worded, the foreign assets and debts of a foreign national will be included in the computation of his net wealth. This was not really the intention. It is, therefore, proposed to amend the provision suitably so as to exclude in such cases the foreign assets from the net wealth.

(Clause 14)

III. CUSTOMS

Of the seven changes made by the proposals in the Bill, five are merely verbal and intended to remove anomalies or doubts. They are, therefore, of no significance from the revenue point of view. The remaining two items in which changes have been made are set out in the table below. Even in respect of these, notwithstanding the increases in the rates of duty, the additional revenue expected is in considerable.

TABLE

S. No.	Reference in the second schedule to the Bill (Part & sub-item No.)	Item in the tariff schedule	Brief description of the article	Present rate of duty		Proposed rate of duty		Remarks
				Standard rate of duty	Preferential rate of duty, if any	Standard rate of duty	Preferential rate of duty if any	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Part (i)	47(2)	Artificial silk yarn and thread.	Rs. 3/- per lb.	..	Rs. 3/- per lb. or 50% whichever is higher plus excise duty.	..	Existing concessions by notiffcations under the Sea Customs Act are being continued in respect of the cheaper varieties, by re-issuing them in an amended form. Only the expensive varieties would be affected by the change.

2	Part (ii)	63(24)	Iron or steel barbed or standed wire and wire rope.	25%	15%	50%	40%	..

IV. CENTRAL EXCISE

(*a*) Unmanufactured tobacco

It may be recalled that the Central Excise tariff relating to unmanufactured tobacco, other than flue cured, was amended during May, 1957, on the recommendation of the Tobacco Expert Committee. Some doubts have since been expressed regarding the implication of the expression "1/16" square in size" used in sub-item 1(5) (*iii*) of item No. 9 of the Central Excise tariff. The intention was that the size of granule of tobacco should not be larger that what could pass through a sieve of 16 uniform circular or square apertures per linear inch. To make this intention clear and to put the matter beyond doubt, the sub-item 1 (5) (*iii*) has been suitably amended and the existing explanation thereto is being omitted. This is essentially a drafting improvement and involves little financial implication.

[Clause 17(a)]

(*b*) Cement

	Rate of duty	Estimated revenue
(*i*) Proposed	Rs. 24 per ton	Rs. 13,44 lakhs
(*ii*) Existing	Rs. 20 ,, ,,	Rs. 11,20 ,,
(*iii*) Estimated additional yield at the proposed rate .	..	Rs. 2,24 ,,

[Clause 17 (b)]

GIFT-TAX BILL

(1) Gift-tax by whom payable

All persons (individuals, Hindu, undivided families, companies, firms and associations of persons) making gifts taxable under the Act, except :—

(*a*) Government companies ;

(*b*) Corporations established by a Central, State or Provincial Act ;

(*c*) public companies whose affairs are controlled by and a majority of the shares of which are held by six persons or more;

(*d*) Subsidiary companies of the companies referred to at (*c*);

(*e*) recognised charitable institutions or funds.

(2) Gifts exempt from tax.

(*a*) Gifts of immovable property situated outside India;

(*b*) Gifts of movable property situated outside India, where the donor is not a citizen of India or where the donor, not being an individual, is a non-resident ;

(*c*) Gifts of savings certifictes declared gift-tax free;

(*d*) Gifts to Government or local authorities;

(*e*) Gifts to recognised charitable institutions or funds ;

(*f*) Gifts for any charitable purpose up to Rs. 100 in respect of each gift;

(*g*) Gifts to female dependent members on the occasion of marriage subject to a maximum of rupees ten thousand;

(*h*) Gifts to wife, subject to a maximum of rupees one lakh ;

(*i*) Gifts of policies of insurance or annuities to wife, children or dependents subject to a maximum of rupees ten thousand in respect of each donee;

(j) Gifts under a Will;

(*k*) Gifts in contemplation of death.

Without prejudice to these exemptions no person need pay gift-tax if the gifts do not exceed Rs. 10,000 in one previous year. But if the taxable gift to any individual donee exceeded Rs. 3,000 during the year, the donor will have to pay tax in respect of all gifts above Rs. 5,000.

(3) Charge of gift-tax

The value of gifts made during a previous year (which is the same as for Income-tax assessments) is the subject of charge. The taxable gifts made during five previous years immediately preceding the assessment year (excluding gifts made before the 1st day of April 1957) are aggregated and the rate applicable to the aggregated value is the rate at which tax is charged on the value of the gifts made during the previous year. The rates of tax are given below :

On the first	50,000	4%
On the next	50,000	6%
On the next	50,000	8%
On the next	50,000	10%
On the next	1,00,000	12%
On the next	2,00,000	15%
On the next	5,00,000	20%
On the next	10,00,000	25%
On the next	10,00,000	30%
On the next	20,00,000	35%
On the balance		40%

(4) Valuation of gifts.

Gifts are valued normally at the market value of the property as on the date of the gift.

(5) Method assessment, appeal, revision and references.

The assessments will be made by the Income-tax Officers making the income tax assessments. Persons who have made taxable gifts during the previous year relevant to 1958-59 assessment year will have to make a return in a form which will be prescribed. The procedure of assessment, appeals, revision and references are broadly the same as in Income-tax, Wealth -tax and Expenditure-tax Acts.

(6) Rebate on advance payments.

A novel feature of the bill is the provision for a rebate on advance payments. This is intended to encourage prompt payments. If a person making a taxable gift of Rs. 10,000 or more pays within fifteen days of his making the gift an amount

calculated in the manner indicated below, he will be given credit at the time of assessment, not only for the amount so paid, but for a further sum of 10% of the amount so paid :

Where the value of the gift does not exceed Rs. 50,000	Four per cent of the value
Where the value of the gift exceeds Rs. 50,000 but does not exceed Rs. 2,00,000 . .	Eight per cent of the value; and
In any other case	Fifteen per cent of the value.

(7) Date of effect.

This tax will come into effect from the financial year 1958-59.

ESTATE DUTY (AMENDMENT) BILL

The main amendments proposed in the Estate Duty Act are :—

(1) Gifts inter vivos

(*a*) At present, gifts inter vivos made during a period of two years before death are liable to estate duty. It is now proposed to increase this period from two years to five years.

(*b*) At present, relief is admissible to the extent of Rs. 5000 in value in cases of gifts in consideration of marriage or of gifts which are part of the normal expenditure. It is proposed to increase the limit to Rs. 10,000 in either case (Clause 3).

(2) Coparcenary property

Under the Act as it stands now, if a member of a Hindu family governed by the Mitakshara, Marumakkattayam or Aliyasantana law dies, his share in the coparcenary property is subjected to estate duty only at the rates applicable to that share. Under the proposed amendment also only this share will be subjected to duty but at the rate applicable to the value arrived at by adding to the share of the deceased the shares of the lineal descendants of the deceased in the joint family property (Clause 17).

(3) Rate of duty

At present, the first slab of Rs. 50,000 of property consisting of a coparcenary interest in joint Hindu families governed by the Mitakshara, Marumakkattayam or Aliyasanatana law, and the first Rs. 1,00,000 of other chargeable property is exempt from duty. On the balance of the estate, duty has to be paid at progressive rates under the 'slab system' which range from five per cent to 40 per cent. It is now proposed to fix the exemption limit at Rs. 50,000 whether the estate consists of coparcenary property, or property of any other kind. The rate of duty for the first slab of Rs. 50,000 will be 6 per cent. The only other alteration in rates is the rounding off of the rates of 7-1/2% and 12-1/2% to 8% and 12%—respectively (Clauses 18 and 30).

(4) Deduction on account of court fees, probate duty, etc.

Under the existing provisions of the Act, the entire court fee paid is allowed as a deduction from the estete duty payable. It is proposed to restrict this deduction to one-half of such fee (Clause 21).

(5) Relief for gift-tax

As it is proposed to introduce a tax on gifts with effect from the 1st April 1958, provision has been made to ensure that the property on which gift-tax has been paid is not again subjected to estate duty.

(Clause 22)

(6) Assessment & Appellate Procedure

The procedure for 'provisional' and regular assessments is clearly specified. Provision has also been made for first appeal to be filed before the Appellate Controller of Estate Duty and for a second appeal to the Appellate Tribunal. The Assessment and appellate procedure are broadly the sme as those in force for income-tax, wealth-tax and expenditure-tax.

(Clause 24)

(7) Transitional Provisions

To facilitate the change-over to the new appellate procedure and to avoid any hardship in individual cases, it is provided that the procedures for appeal, reference to High Court, etc., under the existing Act in respect of assessments completed prior to the commencement of the Act shall not be affected by the proposed amendments.

(Clause 31)

THE ESTATE DUTY (AMENDMENT) BILL, 1958

(As introduced in Lok Sabha)

A

BILL

further to amend the Estate Duty Act, 1953.

Be it enacted by Parliament in the Ninth Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Estate Duty (Amendment) Act, 1958.

(2) It shall come into force on the 1st day of April, 1958.

2. *Amendment of section* 2.—In section 2 of the Estate Duty Act, 1953 34 of 1953 (hereinafter referred to as the principal Act),—

(*a*) after clause (1), the following clauses shall be inserted, namely :—

'(*1A*) "Appellate Controller" means a person appointed to be an Appellate Controller of Estate Duty under section 4 ;

(*1B*) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Indian Income-tax Act, 1922; 11 of 1922'.

(*b*) after clause (12), the following clause shall be inserted, namely :—

'(*12A*) "person accountable" or "accountable person" means the person accountable for estate duty within the meaning of this Act';

(*c*) after clause (14), the folllwong clause shall be inserted, namely :—

'(*14A*) "principal officer", in relation to a company or a corporation, established by a Central, State or Provincial Act, means the manager, managing director, managing agent or secretary, and includes any person connected with the management of the company or corporation upon whom the Controller has served a notice of his intention of treating him as the principal officer for the purposes of this Act;'.

3 *Amendment of section* 4.—In section 4 of the principal Act,—

(*a*) in sub-section (1), after clause (*b*), the following clause shall be inserted, namely :—

"(*bb*) Appellate Controllers of Estate Duty,";

(*b*) after sub-section (2), the following sub-section shall be inserted, namely:—

"(*2A*) The Central Government may appoint as many Appellate Controllers of Estate Duty as it thinks fit and they shall, subject to the control of the Board, perform their functions in respect of such estates or classes of estates or such areas as the Board may direct, and where such directions have assigned to two or more Appellate Controllers the same estate or classes of estate or the same area, they shall perform their functions in accordance with any orders which the Board may make for the distribution and allocation of the work to be performed.";

(*c*) to sub-section (5), the following proviso shall be added, namely :—

"Provided that no such orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Controller of Estate Duty in the exercise of his appellate functions."

4. *Amendment of section* 9.—In section 9 of the principal Act,—

(*a*) in sub-section (1), for the words "two years", the words "five years" shall be substituted ;

(*b*) for sub-section (2), the following sub-section shall be substituted, namely :—

"(2) The provisions of sub-section (1) shall not apply to—

(*a*) gifts made in consideration of marriage, subject to a maximum of rupees ten thousand in value ;

(*b*) gifts which are proved to the satisfaction of the Controller to have been part of the normal expenditure of the deceased, subject to a maximum of rupees ten thousand in value.".

5. *Amendment of section* 10.—In section 10 of the principal Act, in the proviso for the words "two years", the words "five years" shall be substituted.

6. *Amendment of section* 11.—In section 11 of the principal Act, in sub-section (2), for the words "two years", in both the places where they occur, the words "five years" shall be substituted.

7. *Amendment of section* 12.—In section 12 of the principal Act, in the proviso to sub-section (1), for the words "two years", the words "five years" shall be substituted.

8. *Amendment of section* 16.—In section 16 of the principal Act, in clause (*a*) of sub-section 10 (2), for the words "otherwise than for full consideration" the words "notwithstanding that the disposition was made for full consideration" shall be substituted.

9. *Amendment of section* 17.—In section 17 of the principal Act, in clause (*vi*) of sub-section (4), for the word "even", the word "event" shall be substituted.

10. *Amendment of section* 18.—In section 18 of the principal Act, the *Explanation* shall be omitted.

11. *Amendment of section* 19.—In section 19 of the principal Act,—

(*a*) in sub-section (2), for the words "outside the territories to which this Act extends", the words "outside India" shall be substituted ;

(*b*) in sub-section (4), for the words and figures "section 230 of the Indian Companies Act, 1913 (VII of 1913)" and "section 129 of the Indian Companies Act, 1913,", the following words and figures shall respectively be substituted, namely :—

"section 530 of the Companies Act, 1956" 1 of 1956 and "section 123 of the Companies Act, 1956 1 of 1956,".

12. *Insertion of new section 20A.*—In Part II, after section 20 of the principal Act, the following section shall be inserted, namely :—

Duty and liability of companies incorporated outside India in certain cases—"20A. Where a company incorporated outside India which carries on business in India has been treated for the purposes of the Indian Income-tax Act, 1922 11 of 1922 as resident for two out of the three completed assessments for the years immediately preceding the date of death of any member of or debenture holder in the company, the company shall, within three months of the receipt of intimation of the death of the member or debenture holder, as the case may be, furnish to the Controller such particulars as may be prescribed in respect of the interest of the deceased in the company, and the company shall be accountable for the estate duty which shall be levied at the rates mentioned in Part II of the Second Schedule on the principal value of the shares or debentures held by the deceased in the company except in cases where the deceased was a person domiciled in India and the person accountable under any of the other provisions of this Act has obtained a certificate from the Controller showing that either the estate duty in respect thereof has been paid or will be paid or that none is due, as the case may be.".

13. *Amendment of section 21.*—In section 21 of the principal Act, in sub-section (*1*), for the words "outside the territories to which this Act extends" and "the said territories", wherever they occur, the words "outside India" and "India" shall respectively be substituted.

14. *Amendment of section 22.*—In section 22 of the principal Act,—

(*a*) for the words "two years", the words "five years" shall be substituted and

(*b*) the proviso shall be omitted.

15. *Amendment of section 27.*—In section 27 of the principal Act, for the word and figure "section 9" in both the places where they occur, the words "this Act" shall be substituted.

16. *Amendment of section 33.*—In section 33 of the principal Act, in sub-section (*1*),—

(*a*) in clause (*a*), for the words "under a gift", the words "under one or more gifts" shall be substituted ;

(*b*) in clause (*b*), for the words "under a gift" and "two years", the words "under one or more gifts" and "five years" shall respectively be substituted ;

(*c*) in clause (*k*), for the words "rupees five thousand", the words "rupees ten thousand" shall be substituted.

17. *Substitution of new section for section 34.*—For section 34 of the principal Act, the following section shall be substituted, namely :—

"34. *Aggregation* (1) For the purpose of determining the estate duty to be paid on any property passing on the death of the deceased,—

(*a*) all property so passing other than property exempted from estate duty under clauses (*c*), (*d*), (*e*), (*i*) and (*j*) of sub-section (*1*) of section 33;

(*b*) agricultural land so passing, if any, situate in any State not specified in the First Schedule ; and

(*c*) in the case of property so passing which consists of a coparcenary interest in the joint family property of a Hindu family governed by the *Mitakshara*, *Marumakkattayum* or *Aliyasantana* law, also the interest in the joint family property of all the lineal descendants of the deceased member ;

shall be aggregated so as to form one estate and estate duty shall be levied thereon at the rate or rates applicable in respect of the principal value thereof.

(*2*) Where any such estate as is referred to in sub-section (*1*) includes any property exempt from estate duty, the estate duty leviable on the property not so exempt shall be an amount bearing to the total amount of duty which would have been payable on the whole estate had no part of it been so exempt the same proportion as the value of the property not so exempt bears to the value of the whole estate.

Explanation.—For the purposes of this sub-section, "property exempt from estate duty" means any property—

(*i*) which is exempt from estate duty under section 33 ;

(*ii*) any agricultural land situate in any State not specified in the First Schedule ;

(*iii*) the interests of all coparceners other than the deceased in the joint family property of a Hindu family governed by the *Mitakshara*, *Marumakkattayam* or *Aliyasantana* law.

(3) Notwithstanding anything contained in sub-section (1) or sub-secton (2) any property passing in which the deceased never had an interest not being a right or debt or benefit that is treated as property by virtue of the *Explanations* to clause (*15*) of section 2, shall not be aggregated with any property, but shall be an estate by itself and the estate duty shall be levied at the rate or rates applicable in respect of the principal value thereof.

(4) Every estate shall include all income accrued upon the property included therein down to an outstanding at the date of the death of the deceased.

(5) For the purposes of this section, no property shall be aggregated more than once nor shall estate duty in respect thereof be levied more than once on the same death.".

18. *Amendment of section* 35.—In section 35 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted namely :—

"(1) The rates of estate duty shall be as mentioned in the Second Schedule.";

(*b*) sub-section (2) shall be omitted.

19. *Amendment of section* 47.—In section 47 of the principal Act, for the words "out of the territories to which this Act extends" and the words "the said territories" wherever they occur, the words "out of India" and "India" shall respectively be substituted.

20. *Amendment of section* 48.—In section 48 of the principal Act, for the words "out of the territories to which this Act extends", the words "out of India" shall be substituted.

21. *Amendment of section* 50.—In section 50 of the principal Act, for the words "an amount which is equal to", the words "an amount which is equal to one-half of" shall be substituted.

22. *Insertion of new section 50A.*—In Part VI, after section 50 of the principal Act, the following section shall be inserted, namely :—

Relief from estate duty where gift-tax has been paid.—"50A. Where tax has been paid under the Gift-tax Act, 1958, in respect of a gift of any property and the property is also included in the estate of the donor as property passing under this Act, then, notwithstanding anything contained in this Act, no duty shall be levied under this Act on any such property.".

23. *Amendment of section 53.*—In section 53 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely :—

"(3) Every person accountable for estate duty under this section shall, within six months of the death of the deceased, deliver to the Controller an account in the prescribed form and verified in the prescribed manner of all the properties in respect of which estate duty is payable :

Provided that the Controller may extend the period of six months aforesaid on such terms which may include payment of interest as may be prescribed .".

24. *Substitution of new sections for sections 56 to 65.*—For sections 56, 57, 58, 59 60 61, 62, 63, 64 and 65 of the principal Act, the following sections shall be substituted namely :—

Grant of representation, etc., not to be made unless particulars are furnished to the Controller.—"56. (1) In all cases in which a grant of representation is applied for—

(a) the executor of the deceased shall, to the best of his knowledge and belief, specify in an appropriate account annexed to the affidavit of valuation filed in court under section 19-I of the Court-fees Act, 1870, 7 of 1870, all the property in respect of which estate duty is payable upon the death of the deceased and shall deliver a copy of the affidavit with the account to the Controller, and

(b) no order entitling the applicant to the grant of representation shall be made upon his application until he has delivered the account prescribed in clause (a) and has produced a certificate from the Controller under sub-section (2) of section 57 or section 67 that the estate duty payable in respect of the property included in the account has been or will be paid, or that none is due, as the case may be.

(2) In all cases in which a grant of a succession certificate is applied for, a copy of the application shall be furnished by the applicant to the Controller and no order entitling the applicant to the grant of such a certificate shall be made upon his application until he has produced a certificate from the Controller under sub-section (2) of section 57 or section 67 that the estate duty payable in respect of the property mentioned in the application has been or will be paid, or that none is due, as the case may be.

57. *Power to make provisional assessment in advance of regular assessment.*—(1) Estate Duty shall be due from the date of the death of the deceased, and the Controller may, at any time after the receipt of account delivered under section 53 or section 56, proceed to make in a summary manner a provisional assessment of the estate duty payable by the person delivering the account on the basis of the account so delivered.

(2) Upon delivery of the account under section 53 or section 56, the person delivering it shall pay to the Controller, or furnish security to the satisfaction of the Controller for the payment of, the estate duty, if any, payable on the provisional assessment made under sub-section (1), and the Controller shall thereupon grant

him a certificate that such duty has been or will be paid or that none is due, as the case may be, in respect of the property mentioned in the certificate.

(3) After regular assessment has been made under section 58 any amount paid towards the provisional assessment made under sub-section (1) shall be deemed to have been paid towards the regular assessment.

(4) No appeal shall lie against a provisional assessment made under sub-section (1), but nothing done or suffered by reason or in consequence of any such provisional assessment shall prejudice the determination on the merits of any issue which may arise in the course of the regular assessment under section 58.

58. *Assessment.*—(1) If the Controller is satisfied without requiring the presence of the person accountable that an account delivered under section 53 or section 56 is correct and complete, he shall assess the principal value of the estate of the deceased, and shall determine the amount payable as estate duty.

(2) If the Controller is not so satisfied, he shall serve a notice on the person accountable, either to attend in person at his office on a date to be specified in the notice, or to produce, or cause to be produced on that date, any evidence on which the person accountable may rely in support of his account.

(3) The Controller, after hearing such evidence as the person accountable may produce and such other evidence as he may require on any specified points, shall, by order in writing, assess the principal value of the estate of the deceased and determine the amount payable as estate duty.

(4) In any case where no account has been delivered as required by section 53 or section 56, or the person accountable fails to comply with the terms of the notice served under sub-section (2), the Controller shall make the assessment to the best of his judgement and determine the amount payable as estate duty.

59. *Property escaping assessment.*—If the Controller,—

(*a*) has reason to believe that by reason of the omission or failure on the part of the person accountable to submit an account of the estate of the deceased under section 53 or section 56 or to disclose fully and truly all material facts necessary for assessment, any property chargeable to estate duty has escaped assessment by reason of under-valuation of the property included in the account or of omission to include therein any property which ought to have been included or of assessment at too low a rate or otherwise, or

(*b*) has, in consequence of any information in his possession, reason to believe notwithstanding that there has not been such omission or failure as is referred to in clause (*a*) that any property chargeable to estate duty has escaped assessment, whether by reason of undervaluation of the property included in the account or of omission to include therein any property which ought to have been included, or of assessment at too low a rate or otherwise,

he may at any time require the person accountable to submit an account as required under section 53 and may proceed to assess or re-assess such property as if the provisions of section 58 applied thereto.

60. *Penalty for concealment.*—(1) If the Controller, the Appellate Controller or the Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person—

(*a*) has without reasonable cause failed to furnish the account of the property of the deceased which he is required to furnish under section 53, section

55, section 56 or section 59 or has without reasonable cause failed to furnish it within the time allowed and in the manner required ; or

(*b*) has without reasonable cause failed to comply with a notice under sub-section (2) of section 58 ; or

(*c*) has concealed the particulars of the property of the deceased or deliberately furnished inaccurate particulars thereof ; or

(*d*) being a company referred to in section 20A, fails without reasonable cause, to pay the amount of estate duty due from the company under that section within the time specified in this behalf,

he or it may, by order in writing, direct that—

such person shall pay by way of penalty—

(*i*) in the case referred to in clause (*a*) or clause (*d*), in addition to the amount of the estate duty payable by him, a sum of rupees one thousand or a sum equal to double the amount of such duty, whichever is greater ; and

(*ii*) in the case referred to in clause (*b*) or clause (*c*), in addition to the amount of estate duty payable by him, a sum equal to double the amount of the estate duty, if any, which would have been avoided if the principal value shown in the account of such person had been accepted as correct.

(2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

61. *Rectification of mistakes.*—At any time within five years from the date of any order passed by him, or it, the Controller, the Appellate Controller, or the Appellate Tribunal may, on his or its own motion rectify any mistake apparent from the record and shall, within a like period rectify any such mistake which has been brought to the notice of the Controller, the Appellate Controller or the Appellate Tribunal, as the case may be, by the person accountable :

Provided that no such rectification shall be made which has the effect of enhancing the estate duty payable unless the person accountable has been given a reasonable opportunity of being heard in the matter.

62. *Appeal against orders of Controller.*—(1) Any person—

(*a*) objecting—

(*i*) to any valuation made by the Controller, or

(*ii*) to any order made by the Controller determining the estate duty payable under section 58 or section 59, or

(*iii*) to any penalty levied by the Controller under section 60 or section 84, or

(*b*) denying his liability to the amount of estate duty payable in respect of any property,

may, within thirty days of the date of the receipt of the notice of demand under section 73, appeal to the Appellate Controller in the prescribed form which shall be verified in the prescribed manner.

(2) The Appellate Controller may admit an appeal after the expiry of the thirty days referred to in sub-section (1) if he is satisfied that there was sufficient cause for not presenting it within that period.

(3) The Appellate Controller shall fix a day and place for the hearing of the appeal and may from time to time adjourn the hearing.

(4) The Appellate Controller may—

(*a*) at the hearing of an appeal, allow an appellant to go into any ground of appeal not specified in the grounds of appeal ;

(*b*) before disposing of an appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Controller.

(5) In disposing of an appeal, the Appellate Controller may pass such order as he thinks fit which may include an order enhancing the estate duty or penalty:

Provided that no order enhancing the estate duty payable or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) The Appellate Controller shall, on the conclusion of the appeal, communicate the order passed by him to the appellant and to the Controller.

63. *Appeal to the Appellate Tribunal from the order of the Appellate Controller.*—(1) Any person accountable objecting to any order passed by an Appellate Controller under section 62, may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Controller may, if he is not satisfied as to the correctness of any ordel passed by the Appellate Controller under section 62, appeal to the Appellate Tribunal against such order and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Controller.

(3) The Tribunal may admit an appeal after the expiry of the sixty days referred to in sub-sections (1) and (2) if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, except in the case of an appea under sub-section (2) be accompanied by a fee of rupees one hundred.

(5) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such order thereon as it thinks fit, and any such orders may include an order enhancing the estate duty payable or penalty.

Provided that no order enhancing the estate duty payable or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) Where the appellant objects to the valuation of any property, the Appellate Tribunal may, and if the appellant so requires, shall refer the question of disputed value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent, and the Tribunal shall, so far as that question is concerned, pass its orders under sub-section (5) conformally to the decision of the valuers :

Provided that if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by agreement, or failing agreement, by the Appellate Tribunal, and the decision of that valuer on the question of valuation shall be final.

(7) The costs of any arbitration proceeding under sub-section (6) shall be borne by the Central Government or the person accountable, as the case may be, at whose instance the question was referred to the valuers :

Provided that where the person accountable has been wholly or partially successful in any reference made at his instance, the extent to which the costs shall be borne by him shall be at the discretion of the Appellate Tribunal.

(8) The valuers may, in disposing of any matter referred to them for arbitration under sub-section (6), hold or cause to be held such inquiry as they think fit, and after giving the appellant and the respondent an opportunity of being heard, pass such orders thereon as they think fit and shall send a copy of such order to the Appellate Tribunal.

(9) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the person accountable and to the Controller.

(10) Save as provided in section 64 any order passed by the Appellate Tribunal an appeal shall be final.

(11) The provisions of sub-sections (5), (7) and (8) of section 5A of the Indian Income-tax Act, 1922, 11 of 1922 shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under that Act.

64. *Reference to the High Court.*—(1) Within ninety days of the date upon which he is served with an order under section 63, the person accountable or the Controller may present an application in the prescribed form and, where the application is by the person accountable, accompanied by a fee of one hundred rupees to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall, if in its opinion a question of law arises out of such order, state the case for the opinion of the High Court.

(2) An application under sub-section (1) may be admitted after the expiry of the period of ninety days aforesaid if the Appellate Tribunal is satisfied that here was sufficient cause for not presenting it within the said period.

(3) If, on an application made under sub-section (1), the Appellate Tribunal,—

(*a*) refuses to state a case on the ground that no question of law arises ; or

(*b*) rejects it on the ground that it is time-barred ;

the applicant may, within three months from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case :

Provided that, if in any case where the Appellate Tribunal has been required by a person accountable to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the person accountable may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw the application, and if he does so, the fee paid by him under sub-section (1) shall be refunded to him.

(4) The statement to the High Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.

(5) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question law raised thereby, it may require the Appellate Tribunal to make such modifications therein as it may direct.

(6) The High Court, upon hearing any such case, shall decide the question of law raised thereby, and in doing so, may, if it thinks fit, alter the form of the question of law and shall deliver judgement thereon containing the ground on which such decision is founded and shall send a copy of the judgement under the seal of the Court and the signature of the Register to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgement.

(7) Where the amount of any assessment is reduced as a result of any reference to the High Court, the amount, if any, over-paid as estate duty shall be refunded with such interest as the Controller may allow, unless the High Court , on intimation being given by the Controller within thirty days of the receipt of the result of such reference that he intends to ask for leave to appeal to the Supreme Court makes an order authorising the Controller to postpone payment of such refund until the disposal of the appeal in the Supreme Court.

(8) The costs of any reference to the High Court shall be in the discretion of the High Court.

(9) Section 5 of the Indian Limitation Act, 1908 (9 of 1908) shall apply to an application to the High Court under this section.

(10) When a case has been stated to the High court under this section, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority (if any) of such Judges :

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ, and the case shall then be heard upon that point only by one or more of the other Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

65. *Appeal to the Supreme Court.*—(1) An appeal shall lie to the Supreme Court from any judgement of the High Court delivered on a case stated under section 64 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(2) Where the judgement of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 64.

(3) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it, transmit the order for execution to any court subordinate to the High Court."

25. *Substitution of new section for section* 67.—For section 67 of the principal Act, the following section shall be substituted, namely :—

"67. *Certificate of payment of estate duty.* Where the amount of estate duty determined by the Controller as payable on an assessment made under section 58 has been paid by the person accountable, the Controller shall, on application by that person, grant to him a certificate to that effect".

26. *Amendment of section* 70.—In section 70 of the principal Act, in sub-section (2), for the words "eight" and "sixteen", the words "three" and "six" shall respectively be substituted.

27. *Substitution of new sections for section* 73.—For section 73 of the principal Act, the following sections shall be substituted, namely :—

"73. *Notice of demand and recovery of duty, penalty, etc.*—(1) when any estate duty, penalty or interest is due in consequence of any order passed under this Act, the Controller shall serve upon the person accountable or other person liable to pay such duty, penalty or interest a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be payable.

(2) Any amount specified as payable in a notice of demand issued under sub-section (1) shall be paid within the time, at the place and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the date of service of the notice and any person accountable failing so to pay shall be deemed to be in default.

(3) Where a person accountable has been assessed in respect of assets located in a country outside India, the laws of which prohibit or restrict the remittance of money to India, the Controller shall not treat the person accountable as in default in respect of that part of the estate duty which is attributable to the assets in that country, and shall continue to treat the person accountable as not in default in respect of that part of the duty until the prohibition or restriction of remittance is removed.

(4) Notwithstanding anything contained in this section, where the person accountable has presented an appeal under section 62 the Controller may in his discretion treat the person accountable as not being in default as long as such appeal has not been disposed of.

(5) The provisions of sub-sections (1), (1A), (2), (3), (4), (5), (5A), (6) and (7) of section 46 and section 47 of the Indian Income-tax Act, 1922 (11 of 1922) shall apply as if the said provisions where provisions of this Act and referred to estate duty (including estate duty provisionally assessed) and sums imposed by way of penalty or interest under this Act instead of to income-tax and sums imposed by way of penalty or interest under that Act and to Controller of Estate Duty instead of to Income-tax Officer.

73A. *Limitation for commencing proceedings for assessment or reassessment.*—No proceedings for the levy of any estate duty under this Act shall be commenced—

(*a*) in the case of a first assessment, after the expiration of five years from the date of death of the deceased in respect of whose property estate duty became payable; and

(*b*) in the case of a re-assessment, after the expiration of three years from the date of assessment of such property to estate duty under this Act."

28. *Amendment of section* 83.—In section 83 of the principal Act, for clause (*b*) of the *Explanation*, the following clause shall be substituted, namely :—

'(*b*) "legal practitioner" means an advocate, vakil or attorney of any High Court and includes a pleader in practice.'.

29. *Substitution of new section for section* 84.—For section 84 of the principal Act, the following section shall be substituted, namely :—

"84. *Companies to furnish particulars of deceased persons to the Controller.* (1) Where company within the meaning of the Companies Act, 1956 (1 of 1956) has knowledge through any of its principal officers of the death of any member of or debenture-holder in the company, it shall within three months of receipt of intimation of the death, furnish to the Controller such particulars as may be

prescribed in respect of the interest of the deceased in the company; and it shall not be lawful for the company to register the transfer of any shares or debentures standing in the name of the deceased unless the transferee has acquired such shares or debentures for valuable consideration or a certificate from the Controller is produced before the company to the effect that the estate duty in respect of such shares or debentures has been paid or will be paid or that none is due, as the case may be.

(2) Where a corporation established by a Central, State or Provincial Act has knowledge through any of its principal officers of the death of any person who is a registered holder of stocks, shares or other securities in the corporation, it shall, within three months of the receipt of intimation of the death, furnish to the Controller such particulars as may be prescribed in respect of the interest of deceased in the corporation.

(3) Any company or corporation which without reasonable cause fails to comply with the provisions of this section shall be liable to pay a penalty of rupees one thousand".

30. *Amendment of the Second Schedule.*—In the principal Act, for the Second Schedule, the following Schedule shall be substituted, namely :—

"THE SECOND SCHEDULE

(*See* sections 5, 20A and 35)

RATES OF ESTATE DUTY

PART I

In the case of any property which passes or is deemed to pass on the death of the deceased—

	Rate of duty
(1) On the first Rs. 50,000 of the principal value of the estate	*Nil*
(2) On the next Rs. 50,000 of the principal value of the estate	6 per cent.
(3) On the next Rs. 50,000 of the principal value of the estate	8 per cent.
(4) On the next Rs. 50,000 of the principal value of the estate	10 per cent.
(5) On the next Rs. 1,00,000 of the principal value of the estate	12 per cent.
(6) On the next Rs. 2,00,000 of the principal value of the estate	15 per cent.
(7) On the next Rs. 5,00,000 of the principal value of the estate	20 per cent.
(8) On the next Rs. 10,00,000 of the principal value of the estate	25 per cent.
(9) On the next Rs. 10,00,000 of the principal value of the estate	30 per cent.
(10) On the next Rs. 20,00,000 of the principal value of the estate	35 per cent.
(11) On the balance of the principal value of the estate .	40 per cent.

PART II

In the case of shares or debentures held by the deceased in any such company as is referred to in section 20A—

	Rate of duty
(1) If the principal value of the shares or debentures does not exceed Rs. 5,000	*Nil*
(2) If the principal value of the shares or debentures exceeds Rs. 5,000	$7\frac{1}{2}$ per cent.".

31. *Savings.*—Nothing contained in section 24 shall affect—

(*a*) any appeal pending before the Board in respect of any order made by the Controller before the commencement of this Act; or

(*b*) any right or remedy by way of appeal which has accrued to any person in respect of any order made by the Controller before such commencement;

and any such appeal may be disposed of and further proceedings taken in relation thereto and any such right or remedy may be enforced as if this Act had not been passed.

STATEMENT OF OBJECTS AND REASONS

The object of the Bill is to make certain amendments to the Estate Duty Act, 1953 (34 of 1953) in the light of the experience gained in the working of that Act since its coming into force on 15th October, 1953. The main amendments are intended to restrict some of the concessions which in the light of subsequent experience do not appear to be justified. Other amendments have been proposed to clarify assessment procedure, to facilitate collection of duty and also to provide for two appellate authorities. These latter amendments seek to bring the provisions of the Estate Duty Act, 1953, into line with those of the Indian Income-tax Act, 1922, the Wealth-tax Act, 1957, and the Expenditure-tax Act, 1957.

2. The notes on clauses explain the object underlying each of the important amendments proposed in the Bill.

NEW DELHI;

The 28th February, 1958.

J. NEHRU.

Notes on Clauses

Clause 2 defines "Appellate Controller" "Appellate Tribual", "person accountable" and "principal officer".

Clause 3 provides for inclusion of Appellate Controller of Estate Duty amongst the Estate Duty authorities and for his functions.

Clause 4 amends section 9 by increasing—(a) from two years to five years the period before death during which gifts *inter vivos* become liable to estate duty, as recommended by the Taxation Enquiry Commission, and (b) the extent of relief admissible in the case of gifts in consideration of marriage or of gifts which are part of the normal expenditure.

Clauses 5 to 7 are consequential upon the amendment proposed in clause 4

Clause 8 contains a clarificatory amendment.

Clause 9 corrects a printing mistake.

Clause 10 deletes the *Explanation* to section 18 defining "principal officer" as it is no longer necessary in view of the amendment proposed in clause 2.

Clause 11 substitutes "India" for the words "territories to which the Act extends" as the Act now extends to the whole of India.

Clause 12 substantially reproduces the provisions of sub-section (1) of section 84 of the Act relating to companies incorporated outside India which carry on business in India and at the same time extends the liability for estate duty to debentures held by deceased persons in such companies.

Clause 13 makes amendments similar to those in clause 11.

Clause 14 contains an amendment similar to those in clauses 4 (*a*), 5, 6 and 7. The proviso is omitted as being redundant.

Clause 15 contains a clarificatory amendment.

Clause 16 contains amendments which are either consequential upon the amendment proposed in clause 4(*a*), or are clarificatory.

Clause 17 redrafts the provisions relating to aggregation for determining the rate of estate duty so as to bring under aggregation the interests in the joint family property of the lineal descendants of the deceased member as well.

Clause 18 amends section 35 of the Act to do away with the provision for different exemption limits for the value of the deceased's interest in coparcenary property and for property of any other kind.

Clauses 19 *and* 20 contain amendments similar to those in clause 11.

Clause 21 seeks to restrict the relief admissible under section 50 of the Act to one half of the court-fees paid.

Clause 22 provides that no estate duty shall be paid in respect of property on which gift-tax has been levied.

Clause 23 amends section 53 to provide for the levy of interest on the estate duty payable for non-submission of accounts within the time allowed.

Clause 24 effects the following amendments :—

(i) the new section 56 makes grant of succession certificate also conditional on production of Controller's certificate as to payment of estate duty;

(ii) the new section 57 provides for "provisional assessment";

(iii) the new section 58 provides for regular assessment;

(iv) the new section 59 provides for assessment or re-assessment of property escaping assessment in the first instance;

(v) the new section 60 incorporates the provisions of section 56 of the Act and also provides for penalty for concealment generally;

(vi) the new section 61 corresponds to section 62 of the Act;

(vii) the new section 62 amends section 63 of the Act and provides for appeals being filed in the first instance to the Appellate Controller of Estate Duty instead of to the Board as at present;

(viii) the new section 63 provides for an appeal from the orders of the Appellate Controller to the Appellate Tribunal. The Appellate Tribunal is also empowered to refer questions of disputed valuation to the arbitration of valuers;

(ix) the new section 64 redrafts section 64 of the Act and provides for the Appellate Tribunal to refer questions of law to the High Court at the instance of the person accountable or the Controller;

(x) the new section 65 corresponds to section 65 of the Act.

Clause 25 amends section 67 so as to confine it to certificates of payment of estate duty.

Clause 26 reduces the number of permissible instalments for payment of estate duty in respect of immovable property from eight yearly or sixteen half-yearly instalments to three yearly or six half-yearly instalments.

Clause 27 makes the following amendments :—

(1) the new section 73 incorporates the provisions of sub-section (2) of section 58 and also makes provisions for recovery of duty, penalty, etc., on lines similar to those in the Indian Income-tax Act, 1922;

(2) the new section 73A reproduces section 59 of the Act with the modification that no assessment shall be commenced after the expiration of five years from the date of death of the deceased and no re-assessment proceedings shall be commenced after the expiry of three years from the completion of the original assessment.

Clause 28 contains a clarificatory amendment.

Clause 29 corresponds to sub-sections (2) and (3) of section 84 of the Act and also brings statutory corporations under its purview.

Clause 30 amends the Second Schedule providing for uniformity in the exemption limit and in the rates applicable in all cases whether the estate consists of coparcenary property or property of any other kind.

Clause 31 is a "saving" clause preserving the rights and remedies available to accountable persons under the existing provisions relating to appeals and the procedure regulating appeals.

FINANCIAL MEMORANDUM

The Bill seeks to amend the Estate Duty Act, 1953. The Estate Duty Act is being administered by the officers of the Income-tax Department and only a few officers are employed exclusively on estate duty assessments. With the reduction of the exemption limit, the assessment work is bound to increase and it will be necessary to employ larger number of officers exclusively on estate duty work Appeals against assessments, which under the existing Act, have to be filed before the Central Board of Revenue will hereafter be heard by the Appellate Controllers. It is therefore necessary to appoint Appellate Controllers as well. The increase of personnel, along with incidental expenses of administration, including payment of remuneration of valuers is estimated to cost Rs. 5 lakhs.

I. VOLUME OF WORK

By the reduction of the exemption limit to rupees fifty thousand, it is estimated that there will roughly be another 10,000 estates in a year which would become liable to estate duty. More Assistant Controllers have therefore to be appointed. To deal with appellate work it is proposed to appoint only one Appellate Controller for the present. Additional staff will be appointed as and when it is found really necessary.

II. RE-EQUIPMENT OF PERSONNEL AND FINANCE

	No.		Cost Rs.
A. Officers.			
No. of Appellate Controllers . . .	1	1 × 2,000 × 12 =	24,000
No. of Assistant Controllers taking the average disposal per Assistant Controller per annum at 500	20	20 × 500 × 12 =	1,20,000
B. Staff.			
No. of Inspectors	10	10 × 250 × 12 =	30,000
No. of Head-clerks	21	21 × 250 × 12 =	63,000
No. of U. D. Clerks	42	42 × 150 × 12 =	75,600
No. of L. D.Cs.	21	21 × 120 × 12 =	30,240
No. of stenographers	1	1 × 150 × 12 =	1,800
No. of steno-typists	21	21 × 140 × 12 =	35,280
			3,79,920
		say . .	3,75,000
C. Incidental expenses.			
Incidental expenses including Class IV staff, contingencies and payment of remuneration to valuers estimated at			1,25,000
		TOTAL .	5,00,000

LOK SABHA

A

BILL

further to amend the Estate Duty Act, 1953

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri Jawahar Lal Nehru,*
Minister of Finance.)

THE GIFT-TAX BILL, 1958

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45. Agreement for avoidance or relief of double-taxation with respect to gift-tax.
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THE SCHEDULE

THE GIFT-TAX BILL, 1958

(As introduced in Lok Sabha)

A

BILL

to provide for the levy of gift-tax.

Be it enacted by Parliament in the Ninth Year of the Republic of India as follows :—

CHAPTER I

Preliminary

1. *Short title, extent and commencement.*—(1) This Act may be called the Gift Tax Act, 1958.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on the 1st day of April, 1958.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*i*) "Appellate Assistant Commissioner" means a person empowered to exercise the powers of the Appellate Assistant Commissioner of Gift Tax under section 9;

(*ii*) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Income-tax Act ;

(*iii*) "assessee" means a person by whom gift-tax or any other sum of money is payable under this Act ;

(*iv*) "assessment year" means the year for which tax is chargeable under section 3 ;

(*v*) "Board" means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 ; 4 of 1924;

(*vi*) "Commissioner" means a person empowered to exercise the powers of a Commissioner of Gift-tax under section 10 ;

(*vii*) "company" means a company as defined in section 3 of the Companies Act, 1956, 1 of 1956 and includes a foreign company within the meaning of section 591 of that Act ;

(*viii*) "donee" means any person who acquires any property under a gift, and where a gift is made to a trustee for the benefit of another person includes both the trustee and the beneficiary ;

(*ix*) "donor" means any person who makes a gift ;

(*x*) "executor" means an executor of administrator of the estate of a deceased person ;

(*xi*) "firm" has the meaning assigned to it in the Indian Partnership Act, 1932; 9 of 1932 ;

(*xii*) "gift" means the transfer by one person to another of any existing movable or immovable property made voluntarily and without consideration, and includes the transfer of any property deemed to be under section 4 ;

(*xiii*) " Gift-tax Officer " means the Income-tax Officer authorised to perform the functions of a Gift-tax Officer under section 8 ;

(*xiv*) " Income-tax Act " means the Indian Income-tax Act, 1922 ; 11 of 1922 ;

(*xv*) " Income-tax Officer " means a person appointed to be an Income-tax Officer under the Income-tax Act ;

(*xvi*) " Inspecting Assistant Commissioner of Gift-tax " means a person empowered to exercise the functions of an Inspecting Assistant Commissioner of Gift-tax under section 11 ;

(*xvii*) " partner " has the meaning assigned to it in the Indian Partnership Act, 1932 (9 of 1932) and includes a person who being a minor has been admitted to the benefits of partnership ;

(*xviii*) " person " includes a Hindu undivided family ;

(*xix*) " prescribed " means prescribed by rules made under this Act ;

(*xx*) " previous year ", in relation to any assessment year, means the previous year as defined in clause (11) of section 2 of the Income-tax Act if an assessment were to be made under that Act for that year ;

Provided that where in the case of an assessee there are different previous years under the Income-tax Act for different sources of income, the previous year for the purposes of this Act shall be that previous year which expired last ;

(*xxi*) " principal officer ", used with reference to a company or any association of persons, means—

(*a*) the secretary, treasurer, manager, managing agent, managing director or agent of the company or association ; or

(*b*) any person connected with the management of the affairs of the company or association upon whom the Gift-tax Officer has served a notice of his intention of treating him as the principal officer thereof;

(*xxii*) " property " includes any interest in property, movable or immovable ;

(*xxiii*) " taxable gifts " means gifts chargeable to Gift-tax under this Act ;

(*xxiv*) " transfer of property " means any disposition, conveyance, assignment, settlement, delivery, payment or other alienation of property and, without limiting the generality of the foregoing, includes—

(*a*) the creation of a trust in property ;

(*b*) the grant or creation of any lease, mortgage, charge, easement, licence, power, partnership or interest in property ;

(c) the exercise of a power of appointment of property vested in any person, not the owner of the property, to determine its disposition in favour of any person other than the donee of the power ; and

(*d*) any transaction entered into by any person with intent thereby to diminish directly or indirectly the value of his own property and to increase the value of the property of any other person ;

(*xxv*) " valuer " means a valuer appointed under section 4 of the Estate Duty Act, 1953; 34 of 1953.

CHAPTER II

CHARGE OF GIFT-TAX AND GIFTS SUBJECT TO SUCH CHARGE

3. *Charge of gift-tax.*—Subject to the other provisions contained in this Act, there shall be charged in the manner provided in section 7 for every financial year commencing on and from the 1st day of April, 1958, a tax (hereinafter referred to as gift-tax) in respect of the gifts, if any, made by a person during the previous year.

Explanation.—For the purposes of this section, gifts made by the wife of any person out of any gifts made to her by her husband shall be deemed to be gifts made by the husband.

4. *Gifts to include certain transfers.*—For the purposes of this Act,—

(*a*) where property is transferred for less than the full consideration therefor, the amount by which the market value of the property at the date of the transfer exceeds the value of the consideration shall be deemed to be a gift made by the transferor ;

(*b*) where property is transferred for a consideration which in the opinion of the Gift-tax Officer, having regard to the circumstances of the case has not passed or is not likely to pass either in full or in part from the transferee to the transferor, the amount of the consideration which has not passed or is not likely to pass shall be deemed to be a gift made by the transferor ;

(*c*) where there is a release, discharge, surrender, forfeiture or abandonment of any debt, contract or other actionable claim or of any interest in property by any person in favour of another, the value of the release, discharge, surrender, forfeiture or abandonment shall be deemed to be a gift made by the person responsible for the release, discharge, surrender, forfeiture or abandonment ;

Provided that nothing in this clause shall apply in respect of any debt which is proved to the satisfaction of the Gift-tax Officer to have become irrecoverable ;

(*d*) where a person absolutely entitled to property causes or has caused the same to be vested in whatever manner in himself and any other person jointly and such other person makes an appropriation from or out of the said property, the amount of the appropriation used for the benefit of the person making the appropriation shall be deemed to be a gift made in his favour by the person who causes or has caused the property to be so vested.

5. *Exemption in respect of certain gifts.*—(1) Gift-tax shall not be charged under this Act in respect of gifts made by any person—

(*i*) of immovable property situate outside the territories to which this Act extends ;

(*ii*) of movable property situate outside the said territories unless the person—

(*a*) being an individual, is a citizen of India ; or

(*b*) not being an individual, is resident in the said territories during the previous year in which the gift is made ;

(*iii*) of property in the form of savings certificates issued by the Central Government, which that Government, by notification in the Official Gazette, exempts from gift-tax ;

(*iv*) to the Government or any local authority ;

(*v*) to any institution or fund established for a charitable purpose to which the provisions of section 15B of the Income-tax Act apply ;

(*vi*) for any charitable purpose not falling within clause (*v*), subject to a maximum of rupees one hundred in respect of each such gift ;

(*vii*) (*a*) being an individual, to any female relative dependent upon him for the necessaries of life on the occasion of her marriage ;

(*b*) being a Hindu undivided family, to any female member of the family who under any law, order or decree of a court is entitled to maintenance from the joint family property, on the occasion of her marriage ;

subject in either case to a maximum of rupees ten thousand in respect of the marriage of each such relative ;

(*viii*) to his wife, subject to a maximum of rupees one lakh in the aggregate in one or more previous years ;

(*ix*) of policies of insurance or annuities to his wife or children or to any other person dependent upon him for the necessaries of life, subject to a maximum of rupees ten thousand in value in the aggregate in one or more previous years of the benefits in respect of each such donee ;

(*x*) under a will ;

(*xi*) in contemplation of death.

(2) Without prejudice to the provisions contained in sub-section (1), gift-tax shall not be charged under this Act in respect of gifts made by any person during the previous year, subject to a maximum of rupees ten thousand ; but such maximum shall have effect as if it had been reduced to rupees five thousand if the value of the taxable gifts to any one donee during the previous year exceeds rupees three thousand.

Explanation.—For the purposes of this section,—

(*a*) a Hindu undivided family, firm or other association of persons shall be deemed to be resident in the territories to which this Act extends during any previous year unless, during that year, the control and management of its affairs was situated wholly outside the said territories ;

(*b*) a company shall be deemed to be resident in the territories to which this Act extends during the previous year, if—

(*i*) it is a company formed and registered under the Companies Act, 1956 (1 of 1956) or is an existing company within the meaning of that Act ; or

(*ii*) during that year, the control and management of that company was situated wholly in the said territories ;

(*c*) " gifts made in contemplation of death " has the same meaning as in section 191 of the Indian Succession Act, 1925; 39 of 1925.

6. *Value of gifts, how determined.*—(1) The value of any property other than cash transferred by way of gift shall, subject to the provisions of sub-sections (2) and (3), be estimated to be the price which in the opinion of the Gift-tax Officer it would fetch if sold in the open market on the date on which the gift was made.

(2) Where a person makes a revocable gift, the value of the property gifted shall be the capitalised value of the income from the property gifted during the period for which the gift is not revocable.

(3) Where the value of any property cannot be estimated under sub-section (1) because it is not saleable in the open market, the value shall be determined in the prescribed manner.

7. *Amount of gift-tax, how determined.*—For the purpose of determining the gift-tax payable by any person for any financial year under this Act—

(*a*) there shall first be ascertained, the value of all taxable gifts made by the donor during the five previous years immediately preceding the financial year (other than gifts made before the 1st day of April, 1957) and the gift-tax that would have been payable on the total value of all such gifts in accordance with the rates specified in the Schedule if all such gifts had been made during the previous year ;

(*b*) the gift-tax payable for any financial year in respect of the gifts made during the previous year shall be that amount which bears to the amount of the gift-tax ascertained under clause (*a*) the same proportion as the total value of the taxable gifts made during the previous year bears to the total value of all the taxable gifts made during the five previous years immediately preceding the financial year.

CHAPTER III

GIFT-TAX AUTHORITIES

8. *Gift-tax Officers.*—**Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any person shall perform the functions of a Gift-tax Officer under this Act in respect of that person.**

Explanation.—For the purposes of this section, the Income-tax Officer having jurisdiction in relation to a person who has no income assessable to income-tax under the Income-tax Act, means the Income-tax Officer of the area in which that person resides.

9. *Appellate Assistant Commissioners of Gift-tax.*—**The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Gift-tax, and on being so empowered the Appellate Assistant Commissioners shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissioners the same areas or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Board may make for the distribution and allocation of the work to be performed.**

10. *Commissioners of Gift-tax.*— **The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Gift-tax, and on being so empowered the Commissioners of Gift-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Commissioners the same areas, or the same persons or the same classes of persons they shall have concurrent jurisdiction subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed.**

11. *Inspecting Assistant Commissioners of Gift-tax.*— **The Commissioner of Gift-tax may empower as many persons as he thinks fit to exercise under this Act the functions of an Inspecting Assistant Commissioner**

of Gift-tax, and on being so empowered the Inspecting Assistant Commissioners of Gift-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Commissioner may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners the same areas or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Commissioner may make for the distribution and allocation of the work to be performed.

12. *Gift-tax Officers to be subordinate to the Commissioner of Gift-tax and the Inspecting Assistant Commissioner of Gift-tax.*—The Gift-tax Officers shall be subordinate to the Commissioner of Gift-tax and the Inspecting Assistant Commissioner of Gift-tax within whose jurisdiction they perform their functions.

13. *Gift-tax authorities to follow orders, etc., of the Board.*—All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board :

Provided that no orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Gift-tax in the exercise of his appellate functions.

CHAPTER IV

ASSESSMENT

14. *Return of gifts.*—(1) Every person who during a previous year has made any taxable gifts shall, before the thirtieth day of June of the corresponding assessment year, furnish to the Gift-tax Officer a return in the prescribed form and verified in the prescribed manner.

(2) If the Gift-tax Officer is of opinion that in respect of the gifts made by a person during any previous year he is liable to gift-tax under this Act, then notwithstanding anything contained in sub-section (1), he may serve a notice upon such person requiring him to furnish within such period, not being less than thirty days, as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner.

(3) The Gift-tax Officer may in his discretion extend the date for the delivery of the return under this section.

15. *Return after due date and amendment of return.*—If any person has not furnished a return within the time allowed under section 14, or having furnished a return under that section, discovers any omission or a wrong statement therein, he may furnish a return or a revised return as the case may be, at any time before the assessment is made.

16. *Assessment.*—(1) If the Gift-tax Officer is satisfied without requiring the presence of the assessee or the production by him of any evidence that a return made under section 14 or section 15 is complete, he shall assess the value of the taxable gifts made by the assessee and determine the amount payable by him as gift-tax.

(2) If the Gift-tax Officer is not so satisfied, he shall serve a notice on the assessee either to attend in person at his office on a date to be specified in the notice or to produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return.

(3) The Gift-tax Officer, after hearing such evidence as the person may produce and such other evidence as he may require on any specified points shall, by order in writing, assess the value of taxable gifts made by the assessee and determine the amount payable by him as gift-tax.

(4) For the purpose of making an assessment under this Act, the Gift-tax Officer may serve on any person who has made a return under sub-section (1) of section 14 or section 15, or upon whom a notice has been served under sub-section (2) of section 14, a notice requiring him to produce or cause to be produced on a date specified in the notice such accounts, records or other documents as the Gift-tax Officer may require.

(5) If any person fails to make a return in response to any notice under sub-section (2) of section 14 or fails to comply with the terms of any notice issued under sub-section (2) or sub-section (4), the Gift-tax Officer shall estimate the value of taxable gifts to the best of his judgment and determine the amount payable by the person as gift-tax.

17. *Gift escaping assessment.*—(1) If the Gift-tax Officer—

(*a*) has reason to believe that by reason of omission or failure on the part of an assessee to make a return under section 14 for any assessment year or to disclose fully and truly all material facts necessary for his assessment for that year, any taxable gift has escaped assessment for that year, whether by reason of under-assessment or assessment at too low a rate or otherwise ; or

(*b*) has, in consequence of any information in his possession, reason to believe, notwithstanding that there has been no such omission or failure as is referred to in clause (*a*), that any taxable gift has escaped assessment for any year, whether by reason of under-assessment or assessment at too low a rate or otherwise ;

he may, in cases falling under clause (*a*) at any time within eight years and in cases falling under clause (*b*) at any time within four years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 14, and may proceed to assess or re-assess any taxable gift which has escaped assessment, and the provisions of this Act shall, so far as may be, apply as if the notice had issued under that sub-section.

(2) Nothing contained in this section limiting the time within which any assessment or re-assessment may be made shall apply to an assessment or re-assessment made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 23, section 24, section 25, section 27 or section 29.

18. *Penalty for concealment.*—(1) If the Gift-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person—

(*a*) has without reasonable cause failed to furnish the return which he is required to furnish under sub-section (1) or sub-section (2) of section 14 or section 17 or has without reasonable cause failed to furnish it within the time allowed and in the manner required ; or

(*b*) has without reasonable cause failed to comply with a notice under sub-section (2) or sub-section (4) of section 16 ; or

(*c*) has concealed the particulars of any gift or deliberately furnished inaccurate particulars thereof ;

he or it may, by order in writing, direct that such person shall pay by way of penalty—

(*i*) in the case referred to in clause (*a*), in addition to the amount of gift-tax payable by him, a sum not exceeding one and a half times the amount of such tax, and

(*ii*) in the case referred to in clause (*b*) or clause (*c*), in addition to the amount of gift-tax payable by him, a sum not exceeding one and a half times the amount of the tax, if any, which would have been avoided if the return made by such person under section 14, section 15 or section 17, as the case may be, had been accepted as correct.

(2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

(3) No prosecution for an offence under this Act shall be instituted in respect of the same facts in relation to which a penalty has been imposed under this section.

(4) The Gift-tax Officer shall not impose any penalty under this section without the previous approval of the Inspecting Assistant Commissioner of Gift-tax.

19. *Rebate on advance payments.*—(1) If a person making a taxable gift of the value of not less than rupees ten thousand pays into the treasury within fifteen days of his making the gift, an amount calculated in the manner specified in sub-section (2) he shall, at the time of assessment under section 16, be given credit in addition to the amount so paid, for an amount equal to ten per cent of the amount so paid.

(2) The amount to be paid into the treasury under sub-section (1) shall be—

(*a*) where the value of the gift does not exceed rupees fifty thousand, four per cent. of the value ;

(*b*) where the value of the gift exceeds rupees fifty thousand but does not exceed rupees two hundred thousand, eight per cent. of the value ; and

(*c*) in any other case, fifteen per cent of the value.

CHAPTER V

LIABILITY TO ASSESSMENT IN SPECIAL CASES

20. *Tax of deceased person payable by legal representative.*—(1) Where a person dies, his executor, administrator, or other legal representative shall be liable to pay out of the estate of the deceased person, to the extent to which the estate is capable of meeting the charge, the gift-tax determined as payable by such person or any sum which would have been payable by him under this Act if he had not died.

(2) Where a person dies without having furnished a return under section 14, or after having furnished a return which the Gift-tax Officer has reason to believe to be incorrect or incomplete, the Gift-tax Officer may make an assessment of the value of the taxable gifts made by such person and determine the gift-tax payable by him, and for this purpose may, by the issue of the appropriate notice which would have had to be served upon the deceased person if he had survived,

require from the executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which might, under the provisions of section 16, have been required from the deceased person.

(3) The provisions of sections 14, 15 and 17 shall apply to an executor, administrator or other legal representative as they apply to any person referred to in that section.

21. *Assessment after partition of a Hindu undivided family.*—(1) Where, a the time of making an assessment, it is brought to the notice of the Gift-tax Officer that a partition has taken place among the members of a Hindu undivided family, and the Gift-tax Officer, after enquiry, is satisfied that the joint family property has been partitioned among the various members or groups of members in definite portions, he shall record an order to that effect and he shall make assessments on the amount of taxable gifts made by the family as such as if no partition had taken place and each member or group of members shall be liable jointly and severally for the tax assessed on the value of the taxable gifts made by the joint family as such.

(2) Where the Gift-tax Officer is not so satisfied, he may, by order, declare that such family shall be deemed for the purposes of this Act to continue to be a Hindu undivided family.

22. *Liability in case of discontinued firm or association of persons.*—Where a firm or association of persons liable to pay gift-tax under this Act has been discontinued or dissolved, every person who was at the time of such discontinuance or dissolution a partner of such firm or a member of such association shall, in respect of the taxable gifts made by the firm or association, be jointly and severally liable to assessment and for the amount of tax payable by such firm or association under this Act and the provisions of this Act shall, so far as may be, apply to any such assessment.

CHAPTER VI

APPEALS, REVISIONS AND REFERENCES

23. *Appeal to the Appellate Assistant Commissioner from orders of Gift-tax Officers.*—(1) Any person,—

(*a*) objecting to the value of his taxable gifts determined under this Act ; or

(*b*) objecting to the amount of gift-tax determined as payable by him under this Act ; or

(*c*) denying his liability to be assessed under this Act; or

(*d*) objecting to any penalty imposed by the Gift-tax Officer under section 18; or

(*e*) objecting to any order of the Gift-tax Officer under sub-section (2) of section 21; or

(*f*) objecting to any penalty imposed by the Gift-tax Officer under sub-section (1) of section 46 of the Income-tax Act as applied under section 34 for the purposes of gift-tax;

may appeal to the Appellate Assistant Commissioner against the assessment or order as the case may be, in the prescribed form and verified in the prescribed manner :

Provided that no appeal shall lie under clause (*f*) unless the tax has been paid before the appeal is filed.

(2) An appeal shall be presented within thirty days of the receipt of the notice of demand relating to the assessment or penalty objected to, or the date on which any order objected to is communicated to him, but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period.

(3) The Appellate Assistant Commissioner shall fix a day and place for the hearing of the appeal and may from time to time adjourn the hearing.

(4) The Appellate Assistant Commissioner may,—

(*a*) at the hearing of an appeal allow an appellant to go into any ground of appeal not specified in the grounds of appeal;

(*b*) before disposing of an appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Gift-tax Officer.

(5) In disposing of an appeal, the Appellate Assistant Commissioner may pass such order as he thinks fit which may include an order enhancing the amount of gift-tax determined or penalty imposed:

Provided that no order enhancing the amount of gift-tax determined or penalty imposed shall be made unless the person affected hereby has been given reasonable opportunity of showing cause aginst such enhancement.

(6) A copy of every order passed by the Appellate Assistant Commissioner under this section shall be forwarded to the appellant and the Commissioner.

24. *Appeal to the Appellate Tribunal from orders of the Appellate Assistant Commissioner.*—(1) Any assessee objecting to an order passed by the Appellaate Assistant Commissioner under section 23 may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Commissioner may, if he is not satisfied as to the correctness of any order passed by an Appellate Assistant Commissioner under section 23, direct the Gift-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Commissioner.

(3) The Appellate Tribunal may admit an appeal after the expiry of sixty days referred to in sub-sections (1) and (2) if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of rupees one hundred.

(5) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the amount of gift-tax determined or penalty imposed:

Provided that no order enhancing the amount of gift-tax determined or penalty imposed shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) Where the appellant objects to the valuation of any gift, the Appellate Tribunal may, and if the appellant so requires, shall, refer the question of disputed

value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent, and the Appellate Tribunal shall, so far as that question is concerned, pass it order under sub-section (5) conformably to the decision of the valuers :

Provided that if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by agreement, or failing agreement, by the Appellate Tribunal, and the decision of that valuer on the question of valuation shall be final.

(7) The costs of any arbitration proceeding under sub-section (6) shall be borne by the Central Government or the assessee, as the case may be, at whose instance the question was referred to the valuers:

Provided that where the assessee has been wholly or partially successful in any reference made at his instance, the extent to which the cost shall be borne by the assessee shall be at the discretion of the Appellate Tribunal.

(8) The valuers may, in disposing of any matter referred to them for arbitration under sub-secion (6) , hold or cause to be held such inquiry as they think fit, and after giving the appellant and the respondent an opportunity of being heard pass such orders thereon as they think fit and shall send a copy of such order to the Appellate Tribunal.

(9) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the assessee and the Commissioner.

(10) Save as provided in section 27, any order passed by the Appellate Tribunal on appeal shall be final.

(11) The provisions of sub-sections (5), (7) and (8) of section 5A of the Income-tax Act shall apply to the Appellate Tribunal in the discharge of its function under this Act as they apply to it in the dicharge of its functions under the Income-tax Act.

25. *Power of Commissioner to revise orders of subordinate authorities.*—(1) The Commissioner may, either on his own motion or on application made by an assessee in this behalf, call for the record of any proceeding under this Act in which an order has been passed by any authority subordinate to him, and may make such inquiry or cause such inquiry to be made, and subject to the provisions of this Act, pass such order thereon not being an order prejudicial to the assessee, as the Commissioner thinks fit :

Provided that the Commissioner shall not revise any order under this sub-section in any case—

(a) where an appeal against the order lies to the Appellate Assistant Commissioner or to the Appellate Tribunal and the time within which such appeal can be made has not expired or, in the case of the Appellate Tribunal, the assessee has not waived his right of appeal;

(b) where the order is pending in appeal before the Appellate Assistant Commissioner or has been the subject of an appeal to the Appellate Tribunal;

(c) where the application is made by the assessee for such revision unless—

(i) the application is accompanied by a fee of rupees twenty-five; and

(ii) the application is made within one year from the date of the order sought to be revised or within such further period as the Commissioner may think fit to allow on being satisfied that the assessee was prevented by sufficient cause from making the application within that period ; and

(*d*) where the order is sought to be revised by the Commissioner on his own motion, if such order is made more than one year previously.

Explanation.—For the purposes of this sub-section,—

(*a*) the Appellate Assistant Commissioner shall be deemed to be an authority subordinate to the Commissioner, and

(*b*) an order by the Commissioner declining to interfere shall be deemed not to be an order prejudicial to the assessee.

(*2*) Without prejudice to the provisions contained in sub-section (*1*), the Commissioner may call for and examine the record of any proceeding under this Act, and, if he considers that any order passed therein by a Gift-tax Officer is erroneous in so far it is prejudicial to the interests of revenue, he may, after giving the assessee an opportunity of being heard, and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhaning or modifying the assessment or cancelling it and directing a fresh assessment.

(*3*) No order shall be made under sub-section (*2*) after the expiry of two years from the date of the order sought to be revised.

26. *Appeal to the Appellate Tribunal from orders of enhancement by Commissioner.*—(*1*) Any assessee objecting to an order of enhancement made by the Commissioner under section 25 may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.

(*2*) An appeal to the Appellate Tribunal under sub-section (*1*) shall be in the rescribed form and shall be verified in the prescribed manner and shall be accomanied by a fee of rupees one hundred.

(*3*) The provisions of sub-sections (*3*) and (*5*) to (*10*) inclusive of section 24 shall apply in relation to any appeal under this section as they apply in relation to any appeal under that section.

27. *Reference to High Court.*—(*1*) Within ninety days of the date upon which he is served with an order under section 24 or section 26, the assessee or the Commissioner may present an application in the prescribed form and where the application is by the assessee, accompanied by a fee of rupees one hundred, to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the appellate Tribunal shall, if in its opinion, a question of law arises out of such order, state the case for the opinion of the High Court.

(*2*) An applicaion under sub-section (*1*) may be admitted after the expiry of the period of ninety days aforesaid if the Appellate Tribunal is satisfied that there was sufficient cause for not presenting it within the said period.

(*3*) If, on an application made under sub-section (*1*), the Appellate Tribunal,—

(*a*) refuses to state a case on the ground that no question of law arises

or

(*b*) rejects it on the ground that it is time-barred,

the applicant may, within ninety days from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case:

Provided that, if in any case where the Appellate Tribunal has been required by an assessee to state a case the Appellate Tribunal refuses to do so on the ground

that no question of law arises, the assessee may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw his application and if he does so, the fee paid by him under sub-section (*1*) shall be refunded to him.

(*4*) The statement to the High Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.

(*5*) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modification therein as it may direct.

(*6*) The High Court, upon hearing any such case, shall decide the question of law raised therein, and in doing so, may, if it thinks fit, alter the form of the question of law and shall deliver judgment thereon containing the grounds on which such decision is founded and shall send a copy of the judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment.

(*7*) Where the amount of any assessment is reduced as a result of any reference to the High Court, the amount, if any, overpaid as gift-tax shall be refunded with such interest as the Commissioner may allow, unless the High Court, on intimation given by the Commissioner within thirty days of the receipt of the result of such reference that he intends to ask for leave to appeal to the Supreme Court, makes an order authorising the Commissioner to postpone payment of such refund until the disposal of the appeal in the Supreme Court.

(*8*) The costs of any reference to the High Court shall be in the discretion of the Court.

(*9*) Section 5 of the Indian Limitation Act, 1908 (9 of 1908), shall apply to an application to the High Court under this section.

28. *Hearing by High Court.*—When a case has been stated to the High Court under section 27, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority of such Judges, if any:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

29. *Appeal to Supreme Court.*—(*1*) An appeal shall lie to the Supreme Court from any judgement of the High Court delivered on a case stated under section 27 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(*2*) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (*6*) of section 27.

(*3*) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it, transmit the order for execution to any Court subordinate to the High Court.

CHAPTER VII

PAYMENT AND RECOVERY OF GIFT-TAX

30. *Gift-tax by whom payable.*—Gift-tax shall be payable by the donor but where in the opinion of the Gift-tax Officer the tax cannot be recovered from the donor, it may be recovered from the donee:

Provided that the amount of the tax which may be recovered from the donee shall not exceed that portion of the gift-tax which is attributable to the value of the gift made to the donee by the donor as at the date of the gift.

31. *Gift-tax to be charged on property gifted.*—Gift-tax payable in respect of any gift comprising immovable property shall be a first charge on that property but any such charge shall not affect the title of a *bona fide* purchaser for valuable consideration without notice of the charge.

32. *Notice of demand.*—When any tax or penalty is due in consequence of any order passed under this Act, the Gift-tax Officer shall serve upon the assessee or other person liable to pay such tax or penalty a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be payable.

33. *Recovery of tax and penalties.*—(*1*) Any amount specified as payable in a notice of demand issued under section 32 shall be paid within the time, at the place, and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the date of service of the notice, and any assessee or other person liable to pay the amount failing so to pay shall be deemed to be in default.

(*2*) Notwithstanding anything contained in this section, where an assesse has presented an appeal under section 23, the Gift-tax Officer may, in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.

34. *Mode of recovery.*—The provisions of sub-sections (*1*), (*1A*), (*2*), (*3*), (*4*), (*5*), (*5A*), (*6*) and (*7*) of section 46 and section 47 of the Income-tax Act shall apply as if the said provisions were provisions of this Act, and referred to gift-tax and sums imposed by way of penalty under this Act instead of to income-tax and sums imposed by way of penalty under that Act, and to Gift-tax Officer and Commissioner of Gift-tax instead of to Income-tax Officer and Commissioner of Income-tax.

CHAPTER VIII

MISCELLANEOUS

35. *Rectification of mistakes.*—At any time within four years from the date of any order passed by him, or the Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner and the Appellate Tribuanl may, on his, or its, own motion rectify any mistake apparent from the record and shall, within a like period rectify any such mistake which has been brought to the notice of the Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner or the Appellate Tribunal, as the case may be, by an assessee:

Provided that no such rectification shall be made which has the effect of enhancing the amount of gift-tax determined unless the assessee has been given a reasonable opportunity of being heard in the matter.

36. *Prosecution.*—(*1*) If any person fails without reasonable cause,—

(*a*) to furnish in due time any return of gifts under this Act;

(*b*) to produce, or cause to be produced, on or before the date mentioned in any notice under sub-section (*2*) or sub-section (*4*) of section 16, such accounts, records and documents as are referred to in the notice;

(*c*) to furnish within the time specified any statement or information which such person is bound to furnish to the Gift-tax Officer under section 38;

he shall, on conviction before a magistrate, be punishable with fine which may extend to rupees ten for every day during which the default continues.

(*2*) If a person makes a statement in a verification in any return of gifts furnished under this Act or in a verification mentioned in section 23, 24 or 26 which is false, and which he knows or believes to be false, or does not believe to be true, he shall be punishable with simple imprisonment which may extend to one year, or with fine which may extend to rupees one thousand, or with both.

(*3*) A person shall not be proceeded against for an offence under this section except at the instance of the Commissioner.

(*4*) The Commissioner may either before or after the institution of proceedings compound any such offence.

Explanation.—For the purposes of this section "magistrate" means a presidency magistrate, a magistrate of the first class or a magistrate of the second class specially empowered by the Central Government to try offences under this Act.

37. *Power to take evidence on oath, etc.*—The Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner and the Appellate Tribunal shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (5 of 1908), when trying a suit in respect of the following matters, namely:—

(*a*) enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of documents;

(*c*) receiving evidence on affidavit;

(*d*) issuing commisions for the examination of witnesses;

and any proceeding before the Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner or the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860).

38. *Power to call for information.*—Where, for the purposes of determining the gift-tax payable by any person, it appears necessary for the Gift-tax Officer to obtain any statement or information from any person, the Gift-tax Officer may serve a notice requiring such person, on or before a date to be therein specified, to furnish such statement or information on the points specified in the notice, and that person shall, notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to the Gift-tax Officer:

Provided that no legal practitioner shall be bound to furnish any statement or information under this section based on any professional communications made to him otherwise than as permitted by scetion 126 of the Indian Evidence Act, 1872 (1 of 1872)

39. *Effect of transfer of authorities on pending proceedings.*—Whenever in respect of any proceeding under this Act any Gift-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises such jurisdiction, the

authority so succeeding may continue the proceeding from the stage, at which the proceeding was left by his predecessor.

40. *Computation of period of limitation.*—In computing the period of limitation, prescribed for an appeal under this Act or for an application under section 27, the day on which the order complained of was made and the time requisite for obtaining a copy of such order shall be excluded.

41. *Service of notice.*—(*1*) A notice or a requisition under this Act may be served on the person therein named either by post or as if it were summons issued by a court under the Code of Civil Procedure, 1908 (5 of 1908).

(*2*) Any such notice or requisition may, in the case of a firm or a Hindu undivided family be addressed to any member of the firm or to the manager or any adult male member of the family, and in the case of a company or association of persons be addressed to the principal officer thereof.

42. *Prohibition of disclosure of information.*—(*1*) Subject to the provisions contained in sub-section (*2*), the provisions of section 54 of the Income-tax Act shall apply to all accounts or in relation to statements, documents, evidence or affidavit given, produced or obtained in connection with or in the course of any proceeding under this Act as they apply to or in relation to similar particulars under that Act subject to the modification that the reference to any "Income-tax authority" in clause (*d*) of sub-section (*2*) and to the "Commissioner" in sub-section (*5*) of that Act shall be construed as a reference to any "Gift-tax authority" and to the "Commissioner of Gift-tax", respectively.

(*2*) Nothing contained in section 54 of the Income-tax Act, shall apply to the disclosure of any such particulars as are referred to in sub-section (*1*) to any person acting in the execution of this Act or the Income-tax Act, or the Estate Duty Act, 1953 (34 of 1953), or the Wealth-tax Act, 1957 (27 of 1957), or the Expenditure tax Act, 1957 (29 of 1957), where it is necessary or desirable to disclose the same to him for the purposes of this Act or any of the other Acts aforesaid.

43. *Bar of suits in civil court.*—No suit shall lie in any civil court to set aside or modify any assessment made under this Act, and no prosecution, suit or other legal proceeding shall lie against any officer of the Government for anything in good faith done or intended to be done under this Act.

44. *Appearance before Gift-tax authorities by authorised. representatives*—Any assessee who is entitled to or required to attend before any Gift-tax authority or the Appellate Tribunal in connection with any proceeding or inquiry under this Act, except where he is required under this Act, to attend in person, may attend by a person authorised by him in writing in this behalf, being a relative of, or a person regularly employed by, the assessee or a legal practitioner or a chartered accountant or any other person having such qualifications as may be prescribed.

Explanation.—For the purposes of this section,—

(*a*) the expression "a person regularly employed by the assessee" includes any officer of a scheduled bank with which the assessee maintains a current account or has other regular dealings;

(*b*) "chartered accountant" means a chartered accountant as defined in the Chartered Accountants Act, 1949. (37 of 1949).

45. *Agreement for avoidance or relief of double taxation with respect to gift-tax.*—The Central Government may enter into any agreement with the Government of any reciprocating country for the avoidance or relief of double txation with respect to gift-tax payable under this Act and under the corresponding law in force in the

reciprocating country and may, by notification in the Official Gazette, make such provision as may be necessary for implementing the agreement.

Explanation.—The expression "reciprocating country" for the purposes of this Act means any country which the Central Government may, by notification in the Official Gazette, declare to be a reciprocating country.

46. *Act not to apply in certain cases.*—The provisions of this Act shall not apply to gifts made by—

(*a*) a Government company as defined in section 617 of the Companies Act, 1956; 1 of 1956.

(*b*) a corporation established by a Central, State or Provincial Act;

(*c*) any company (other than a private company as defined in section 3 of the Companies Act, 1956):

Provided that the affairs of the company or the shares in the company carrying more than fifty per cent. or the total voting power were at no time during the previous year controlled or held by less than six persons;

(*d*) a company which is a subsidiary of and in which more than half the nominal value of equity share capital is held by a company referred to in clause (*c*);

(*e*) any institution or fund to which the provisions of section 15B of the Income-tax Act apply:

Explanation.—For the purpose of computing the number of six persons referred to in the proviso to clause (c), persons who are related to one another as husband and wife, brother and sister, brothers, sisters or who are lineal descendants or ascendants of one antoher and persons who are nominees of any other person together with that other person shall be treated as a single person.

47. *Power to make rules.*—(*1*) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoin power, rules made under this section may provide for—

(*a*) the manner in which the market value of any property may be determined;

(*b*) the form in which returns under this Act shall be made and the mannes in which they shall be verified;

(*c*) the form in which appeals and applications under this Act may be made, and the manner in which they shall he verified;

(*d*) the form of any notice of demand under this Act;

(*e*) the refunds which may be made under this Act;

(*f*) the areas for which lists of valuers may be drawn up;

(*g*) any other matter which has to be, or may be, prescribed for the purposes of this Act.

(*3*) The power to make rules conferred by this section shall on the first occasion of the exercise thereof include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of commencement of this Act.

(*4*) All rules made under this Act shall be laid before each House of Parliament as soon as may be after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following..

THE SCHEDULE

(*See* section 7)

RATES OF GIFT-TAX

	Rate of gift tax
(1) On the first Rs. 50,000 of the value of all taxable gifts	4%
(2) On the next Rs. 50,000 of the value of all taxable gifts	6%
(3) On the next Rs. 50,000 of the value of all taxable gifts	8%
(4) On the next Rs. 50,000 of the value of all taxable gifts	10%
(5) On the next Rs. 1,00,000 of the value of all taxable gifts	12%
(6) On the next Rs. 2,00,000 of the value of all taxable gifts	15%
(7) On the next Rs. 5,00,000 of the value of all taxable gifts	20%
(8) On the next Rs. 10,00,000 of the value of all taxable gifts	25%
(9) On the next Rs. 10,00,000 of the value of all taxable gifts	30%
(10) On the next Rs. 20,00,000 of the value of all taxable gifts	35%
(11) On the balance of the value of all taxable gifts	40%

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to levy a tax on gifts made by individuals, Hindu undivided families, companies, firms and associations of persons. Gifts from one person to antoher provide a convenient means of avoiding or reducing liability to Estate Duty, Income-tax, Wealth-tax, and Expenditure-tax. The only effective methods of checking such attempts at evasion or reduction of tax liability is by levying a tax on gifts. With the introduction of this tax, the integrated tax structure which the Government have been aiming at will be complete.

The notes on clauses explain the various provisions contained in the Bill.

NEW DELHI; J. NEHRU.

The 28th February, 1958.

Notes on clauses

Clause 2 defines, *inter alia*, "gift", "previous year" and "transfer of property". All voluntary transfers of property without consideration and transfers deemed to be gifts under clause 4 of the Bill are covered by the definition of "gift". The definition of "previous year" secures that all gifts made during the period between the valuation dates determined for two consecutive wealth-tax assessments are charged to gift-tax in one year. The definition of "transfer of property" is designed to cover all possible transfers of property.

Clause 3 is the charging clause which provides that the tax is to be levied on all gifts made during the previous year by individuals, Hindu undivided families, companies, firms and associations of persons. The persons referred to in clause 46 are however exempt from the charge. The liberal exemption provided for gifts made to one's wife may lead to avoidance of tax by gifts being made through one's wife and the *Explanation* to this clause seeks to check such avoidance.

Clause 4 brings to charge certain transfers which are for nominal or inadequate consideration or for a consideration which although stipulated is not meant to pass actually. Similarly release or discharge from one's debts or liabilities, appropriations or withdrawals from joint accounts for the benefit of a person other than the person who made the original deposit or investment, are brought within the scope of gifts.

Clause 5 provides for the exemption of various types of gifts. Besides the gifts of property enumerated in sub-clauses (*i*) to (*xi*) which are exempt from charge to the extent indicated therein, there is a basic exemption of Rs. 10,000 which will be reduced to Rs. 5,000 if the taxable gift to an individual donee exceeds Rs. 3,000. This reduction of basic exemption is meant to discourage large gifts being made to the same individual.

Clause 6 provides for the manner in which the values of gifts may be determined. Ordinarily the market value of the property gifted would be the value of the gift.

Clause 7 while providing that the tax is charged on the value of gifts made during the previous year, lays down that the rate of tax shall be determined by the value of the gifts made during the five previous years preceding the assessment year. Gifts made before the 1st day of April, 1957 though within the five year period, will not be taken into account for aggregation.

Clauses 8 to 13 deal with the administrative machinery. The intention is to entrust the administration of this Act to the officers of the Income-tax Department under a procedure which follows broadly the procedure in the Income-tax Act.

Clauses 14 to 18 are assessment provisions which follow similar provisions in the Income-tax, Wealth-tax and Expenditure-tax Acts.

Clause 19 provides for a rebate of 10 per cent, on advance payments towards tax liability made within fiteen days of making a gift. The amount to be paid is calculated at specified percentages on the value of the gift. This provision is meant to encourage prompt payments.

Clauses 20 to 29 relate to assessment in special cases, appeals, revisions and references and are similar to those in the Income-tax, Wealth-tax and Expenditure-tax Acts.

Clause 30 provides that the tax is primarily the liability of the donor, but in the interests of revenue it also provides that the donee will be jointly and severally liable for the tax. The donee's liability is, however, restricted to the tax attributable to the gift received by him.

Clause 31 makes the gift-tax a first charge on the immovable property comprised in the gift.

Clauses 32 to 45 provide for payment and recovery of the tax and other connected matters. They follow similar provisions in the Income-tax, Wealth-tax and Expenditure-tax Acts.

Clause 46 exempts Government companies, corporations established by Central, State or Provincial Act, public limited companies whose affairs are controlled by not less than six persons and charitable institutions or funds from the application of the Act.

Clause 47 makes the usual provision authorising the Central Board of Revenue to make rules for carrying out the purposes of the Act.

FINANCIAL MEMORANDUM

The Bill proposes to levy a tax on gifts made by individuals, Hindu unidivided families, companies, firms and associations of persons. Although this is a new tax, the procedure for assessment, appeal and collection follows the same pattern as in Income-tax, Wealth-tax and Expenditure-tax Acts. It is, therefore, proposed to administer the tax through the Income-tax Department which is administering the Wealth-tax and Expenditure-tax Acts as well. The pressure of work on the Income-tax Department has even otherwise considerably increased since last year consequent on the reduction of minimum taxable limit to Rs. 3,000. The Department cannot, therefore, take on the responsibility of administering this new tax without some expansion of staff at the various levels of the departmental cadres.

2. The increase of personnel, along with incidental expenses of administration, including payment of remuneration to valuers is estimated to cost Rs. 8 lakh. Actual recruitment of staff will, however, be made as and when it is found really necessary.

I. Volume of work

As we have no reliable data regarding the number of gifts made in a year, the extent and value, it is very difficult to make even a rough estimate of the number of persons who would be called upon to pay gift-tax if the Bill is enacted as proposed. It would, however, be safe to assume that normally only the vary well-to-do persons would be in a position to make substantial gifts which attract liability to this tax. As a rough guess the number of such assessees may be taken as 10,000 in any one year.

II. Requirement—Personnel and Finance

	No.		Cost Rs.
A. Officers:			
No. of inspecting Assistant Commissioners and Appellate Assistant Commissioners (2+2)	4	4 × 1200 × 12	57,600
No. of Gift-tax Officers taking the average disposal per Officer per annum at 400.	25	25 × 500 × 12	1,50,000
B. Staff: . .	12	12 × 250 × 12	36,000
Inpectors			
No. of Supervisors	5	5 × 350 × 12	21,000
No. of Head Clerks	24	24 × 250 × 12	72,000
No. of UDCs.	58	58 × 150 × 12	1,04,400
No. of LDCs.	29	29 × 120 × 12	41,760
No. of stenographers	4	4 × 150 × 12	7,200
No. of steno-typists	27	27 × 140 × 12	45,360
			5,35,320
		say	5,50,000
C. Incidental expenditure:			
Incidental expenses including Class IV staff contingencies and payment of remuneration to valuers estimated at			2,50,000
		TOTAL	8,00,000

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 47 of the Bill authorises the Central Board of Revenue to make rules with respect to matters like the manner in which market value of property gifted may be determined in cases where they are not easily determinable, the form in which returns may be made under the Act, the form in which appeals should be filed or notices of demand issued and the manner in which refunds may be made. The rule making power is of a normal character.

LOK SABHA

A

BILL

to provide for the levy of gift-tax.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

J. Nehru,
Minister for Finance.

THE APPROPRIATION (No. 2) ACT, 1958

No. 12 OF 1958

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1958-59.

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Appropriation (No. 2) Act, 1958.

2. *Issue of Rs.* 71,24,57,07,000 *out of the Consolidated Fund of India for the year* 1958-59.—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1958] 8 of 1958. to the sum of seven thousand one hundred and twenty-four crores, fifty-seven lakhs and seven housand rupees towards defraying the several charges which will come in course of payment during the financial year 1958-59 in respect of the services specified in column 2 of the Schedule.

3. *Appropriation.*—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* section 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and industry	66,43,000	..	66,43,000
2	Industries	26,90,99,000	..	26,90,99,000
3	Salt	1,58,04,000	5,02,000	1,63,06,000
4	Commercial Intelligence and Statistics	79,81,000	..	79,81,000
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	1,90,64,000	..	1,90,64,000
6	Ministry of Community Development	21,99,000	..	21,99,000
7	Community Development Projects and National Extension Service	13,13,27,000	..	13,13,27,000
8	Ministry of Defence . . .	37,68,000	..	37,68,000
9	Defence Services—Effective—Army	1,78,08,25,000	2,50,000	1,78,10,75,000
10	Defence Services—Effective—Navy	16,65,08,000	50,000	16,65,58,000
11	Defence Services—Effective—Air Force	88,54,15,000	50,000	88,54,65,000
12	Defence Services—Non-Effective-Charges	13,70,49,000	87,50,000	14,57,99,000
13	Ministry of Education and Scientific Research . . .	68,92,000	..	68,92,000
14	Archaeology . . .	1,09,70,000	..	109,70,000
15	Survey of India	1,71,11,000	..	1,71,11,000
16	Botanical Survey . . .	12,50,000	..	12,50,000
17	Zoological Survey . . .	11,87,000	..	11,87,000
18	Scientific Research . . .	6,38,98,000	..	6,38,98,000
19	Other Scientific Department	56,67,000	..	56,67,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
20	Education	25,37,10,000	..	25,37,10,000
21	Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	2,41,90,000	..	2,41,90,000
22	Tribal Areas	8,02,99,000	..	8,02,09,000
23	Naga Hills-Tuensang Area	3,64,57 000	..	3,64,57,000
24	External Affairs	8,78,80,000	..	8,78,80,000
25	State of Pondicherry	2,98,88,000	*40,000*	2,99,28,000
26	Miscellaneous Expenditure under the Ministry of External Affairs	4,09,000	..	4,09,000
27	Ministry of Finance	1,58,77,000	..	1,58,77,000
28	Customs	4,16,27,000	*5,000*	4,16,32,000
29	Union Excise Duties	7,86,89,000	*68,97,33,000*	76,84,22,000
30	Taxes on Income including Corporation Tax, etc.	5,41,40,000	*1,23,000*	5,42,63,000
31	Opium	2,42,18,000	..	2,42,18,000
32	Stamps	2,34,05,000	*8,48,000*	2,42,53,000
33	Audit	10,02,58,000	*20,47,000*	10,23,05,000
34	Currency	3,70,14,000	*11,12,000*	3,81,26,000
35	Mint	4,77,07,000	..	4,77,07,000
36	Territorial and Political Pensions	22,09,000	..	22,09,000
37	Superannuation Allowances and Pensions	3,51,00,000	*33,33,000*	3,84,33,000
38	Miscellaneous Departments and Other Expenditure under the Ministry of Finance	31,09,44,000	*1,000*	31,09,45,000
39	Planning Commission	2,10,00,000	..	2,10,00,000
40	Miscellaneous Adjustments between the Union and State Governments	6,66,000	..	6,66,000
41	Pre-partition Payments	34,42,000	*2,85,000*	37,27,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
	CHARGED.—*Interest on Debt and other obligations and eduction or avoidance of Debt* . .	..	*1,39,42,93,000*	1,39,42,93,000
	Charged.—*Grants-in-aid to States* .	..	*46,96,70,000*	46,96,70,000
42	Ministry of Food and Agriculture	73,54,000	..	73,54,000
43	Forest	2,56,26,000	..	2,56,26,000
44	Agriculture	15,72,49,000	*1,000*	15,72,50,000
45	Civil Veterinary Services . .	1,48,25,000	..	1,48,25,000
46	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture.	13,80,85,000	..	13,80,85,000
47	Ministry of Health . . .	13,71,000	..	13,71,000
48	Medical Services . . .	5,18,73,000	..	5,18,73,000
49	Public Health	14,06,97,000	..	14,06,97,000
50	Miscellaneous Departments and Expenditure under the Ministry of Health	87,61,000	..	87,61,000
51	Ministry of Home Affairs . .	2,73,56,000	..	2,73,56,000
52	Cabinet	35,34,000	..	35,34,000
53	Zonal Councils	4,44,000	..	4,44,000
54	Administration of Justice . .	2,25,000	*14,87,000*	17,12,000
55	Police	4,93,68,000	..	4,93,68,000
56	Census	8,34,000	..	8,34,000
57	Statistics	1,81,12,000	..	1,81,12,000
58	Privy Purses and Allowances of Indian Rulers . . .	4,91,000	*5,41,84,000*	5,46,75,000
59	Delhi	7,73,27,000	*51,000*	7,73,78,000
60	Himachal Pradesh . . .	4,62,40,000	*1,84,000*	4,64,24,000
61	Andaman and Nicobar Islands .	2,77,91,000	..	2,77,91,000
62	Manipur	2,16,72,000	..	2,16,72,000
63	Tripura	3,28,73,000	*50,000*	3,29,23,000
64	Laccadive, Minicoy and Amindivi Islands . . .	19,74,000	..	19,74,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
65	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs . . .	8,75,72,000	..	8,75,72,000
66	Ministry of Information and Broadcasting	13,49,000	..	13,49,000
67	Broadcasting	4,01,00,000	..	4,01,00,000
68	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting .	3,34,11,000	..	3,34,11,000
69	Ministry of Irrigation and Power .	19,67,000	..	19,67,000
70	Multi-purpose River Schemes .	1,28,07,000	..	1,28,07,000
71	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power	1,05,10,000	..	1,05,10,000
72	Ministry of Labour and Employment	17,47,000	..	17,47,000
73	Chief Inspector of Mines . .	23,04,000	..	23,04,000
74	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	8,80,17,000	..	8,80,17,000
75	Ministry of Law	19,39,000	..	19,39,000
76	Elections	1,81,41,000	..	1,81,41,000
77	Miscellaneous Expenditure under the Ministry of Law . . .	5,44,000	..	5,44,000
78	Ministry of Rehabilitation . .	40,45,000	..	40,45,000
79	Expenditure on Displaced persons and Minorities . . .	20,48,25,000	..	20,48,25,000
80	Ministry of Steel, Mines and Fuel .	33,49,000	..	33,49,000
81	Geological Survey . . .	1,31,85,000	..	1,31,85,000
82	Exploration of Oil and Natural Gas	2,18,35,000	..	2,18,35,000
83	Miscellaneous Department and Other Expenditure under the Ministry of Steel, Mines and Fuel	49,62,52,000	..	49,62,52,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
84	Ministry of Transport and Communications	76,62,000	..	76,62,000
85	Mercantile Marine Department	62,10,000	..	62,10,000
86	Light-houses and Light-ships	1,38,96,000	..	1,38,96,000
87	Central Road Fund	4,28,99,000	..	4,28,99,000
88	Communications (including National Highways)	6,03,69,000	..	6,03,69,000
89	Indian Posts and Telegraphs Department (including Working Expenses)	62,96,98,000	*3,17,17,000*	66,14,15,000
90	Meteorology	1,61,46,000	..	1,61,46,000
91	Overseas Communications Service	1,16,76,000	*7,00,000*	1,23,76,000
92	Aviation	3,79,52,000	..	3,79,52,000
93	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications	1,38,68,000	..	1,38,68,000
94	Ministry of Works, Housing and Supply	56,71,000	..	56,71,000
95	Supplies	2,71,95,000	..	2,71,95,000
96	Other Civil Works	25,12,32,000	*41,56,000*	25,53,88,000
97	Stationery and Printing	7,19,67,000	..	7,19,67,000
98	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	88,56,000	..	88,56,000
99	Department of Atomic Energy	9,08,000	..	9,08,000
100	Atomic Energy Research	3,30,80,000	..	3,30,80,000
101	Department of Parliamentary Affairs	2,25,000	..	2,25,000
102	Lok Sabha	1,03,03,000	*67,000*	1,03,70,000
103	Miscellaneous Expenditure under the Lok Sabha	34,000	..	34,000
104	Rajya Sabha	33,31,000	*61,000*	33,92,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
	CHARGED.—*Staff, Houehold and allowances of the President* .	..	*18,37,000*	18,37,000
105	Secretariat of the Vice-President .	59,000	..	59,000
	CHARGED.—*Union Public Service Commission*	..	*42,05,000*	42,05,000
106	Capital Outlay of the Ministry of Commerce and Industry .	12,93,89,000	..	12,93,89,000
107	Capital Outlay of the Ministry of Community Development . .	2,33,36,000	..	2,33,36,000
108	Defence Capital Outlay . . .	29,93,50,000	*6,50,000*	30,00,00,000
109	Capital Outlay of the Ministry of Education and Scientific Research	2,18,74,000	..	2,18,74,000
110	Capital Outlay of the Ministry of External Affairs . . .	46,44,000	..	46,44,000
111	Capital Outlay on the India Security Press	11,07,000	..	11,07,000
112	Capital Outlay on Currency and Coinage	2,90,60,000	..	2,90,60,000
113	Capital Outlay on Mints . .	46,20,000	..	46,20,000
114	Commuted Value of Pensions .	45,81,000	*1,00,000*	46,81,000
115	Payments to Retrenched Personnel .	12,000	..	12,000
116	Other Capital Outlay of the Ministry of Finance . .	89,85,87,000	..	89,85,87,000
117	Loans and Advances by the Central Government . . .	78,01,83,000	*2,84,51,32,000*	3,62,53,15,000
	CHARGED.—*Repayment of Debt*. .	..	*50,98,06,39,000*	50,98,06,39,000
118	Capital Outlay on Forests . .	9,51,000	..	9,51,000
119	Purchase of Foodgrains . . .	1,24,12,73,000	*3,20,000*	1,24,15,93,000
120	Other Capital Outlay of the Ministry of Food and Agriculture	30,12,22,000	*4,000*	30,12,26,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
121	Capital Outlay of the Ministry of Health	9,79,38,000	..	9,79,38,000
122	Capital Outlay of the Ministry of Home Affairs . . .	1,12,61,000	..	1,12,61,000
123	Capital Outlay on Broadcasting	2,15,59,000	..	2,15,59,000
124	Capital Outlay on Multi-purpose River Schemes . . .	4,22,00,000	..	4,22,00,000
125	Other Capital Outlay of the Ministry of Irrigation and Power	5,58,49,000	..	5,58,49,000
126	Capital Outlay of the Ministry of Labour and Employment .	11,55,000	..	11,55,000
127	Capital Outlay of the Ministry of Rehabilitation . . .	21,00,00,000	..	21,00,00,000
128	Capital Outlay of the Ministry of Steel, Mines and Fuel .	1,72,91,88,000	..	1,72,91,88,000
129	Capital Outlay on Ports . . .	4,05,00,000	..	4,05,00,000
130	Capital Outlay on Roads .	15,00,00,000	..	15,00,00,000
131	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	30,09,25,000	..	30,09,25,000
132	Capital Outlay on Civil Aviation	3,23,67,000	*5,00,000*	3,28,67,000
133	Other Capital Outlay of the Ministry of Transport and Communications . . .	11,27,11,000	..	11,27,11,000
134	Delhi Capital Outlay . .	6,35,80,000	*8,90,000*	6,44,70,000
135	Capital Outlay on Buildings	5,72,10,000	*5,70,000*	5,77,80,000
136	Other Capital Outlay of the Ministey of Works, Housing and Supply . . .	3,55,74,000	..	3,55,74,000
137	Capital Outlay of the Department of Atomic Energy .	5,19,00,000	..	5,19,00,000
	GRAND TOTAL .	14,74,71,10,000	*56,49,85,97,000*	71,24,57,07,000

G. R. RAJAGOPAUL,

Addl. Secy. to the Govt. of India.

THE FINANCE ACT, 1958

No. 11 OF 1958

An Act to give effect to the financial proposals of the Central Government for the financial year 1958-59

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows :—

1. *Short title*:—This Act may be called the Finance Act, 1958.

2. *Income-tax and super-tax.*—(1) Subject to the provisions of sub-sections (2) and (3), for the year beginning on the 1st day of April, 1958,—

(*a*) income-tax shall be charged at the rates specified in Part I of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein ; and

(*b*) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (11 of 1922), (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein.

(2) In making any assessment for the year ending on the 31st day of March 1959,—

(*a*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" or any income chargeable under the head "Interest on Securities" or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance (No. 2) Act, 1957 (26 of 1957) on his total income the same proportion as the amount of such inclusions bears to his total income;

(*b*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance (No. 2) Act, 1957 (26 of 1957), on his total income the same proportion as the amount of such inclusion bears to his total income.

(3) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (1).

(*4*) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

3. *Amendment of section 4.*—In section 4 of the Income-tax Act,—

(*i*) in sub-section (*1*), for the third proviso, the following proviso shall be substituted, namely :—

"Provided further that if in any year the amount of income accruing or arising without the taxable territories exceeds the amount brought into the taxable territories in that year, there shall not be included in the assessment of the income of that year so much of such excess as does not exceed four thousand five hundred rupees, and where any part of such excess consists of salaries paid by the Government, a local authority or a corporation established by a Central, State or Provincial Act, the amount of such salaries not to be included as aforesaid shall be further limited to a sum calculated at the rate of one thousand rupees for each month of service in respect of which the salaries are received abroad.";

(*ii*) in sub-section (*3*),—

(*1*) for clause (*via*) the following clause shall be substituted, namely:—

"(*via*) subject to such conditions as the Central Government may prescribe,—

(*a*) passage moneys or the value of any free or concessional passage received by or due to any person, not being a citizen of India, from his employer for himself, his wife and children, in connection with his proceeding on home leave out of India ; and

(*b*) the value of any travel concession or assistance received by or due to any person, being a citizen of India, from his employer for himself, his wife and children, in connection with his proceeding on leave to his home-town or village in India,";

(*2*) after clause (*xi*), the following clause shall be inserted, namely:—

'(*xia*) any income chargeable under the heads "Interest on Securities", "Income from Property" and "Income from other sources" of a registered Trade Union within the meaning of the Indian Trade Unions Act, 1926 (16 of 1926), formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen;' ;

(*3*) for the *Explanation* to clause (*xiva*), the following *Explanation* shall be substituted, namely :—

'*Explanation.*—"Technician" means a person having specialised knowledge and experience in constructional or manufacturing operations or in mining or in the generation or distribution of electricity or any other form of power, who is employed in India in a capacity in which such specialised knowledge and experience are actually utilised;' ;

(*4*) in clause (*xxi*), after the words "Sixth Schedule to the Constitution", the words "or in the Union territories of Manipur and Tripura" shall be inserted, and shall be deemed always to have been inserted.

4. *Amendment of section 4A.*—In Section 4A of the Income-tax Act, for clause (*c*), the following clause shall be substituted, namely :—

"(*c*) A company is resident in the taxable territories in any year, if—

(*i*) it is an Indian company ; or

(*ii*) during that year the control and management of its affairs is situated wholly in the taxable territories.".

5. *Amendment of section 7.*—In section 7 of the Income-tax Act,—

(*1*) in sub-section (*1*), in the proviso to *Explanation 2*, for the words "State Government", the words "State Government, a local authority or a corporation established by a Central, State or Provincial Act" shall be substituted and shall be deemed always to have been substituted ;

(*2*) in sub-section (2), for clause (*ii*), the following clause shall be substituted namely :—

" (*ii*) in respect of any allowance in the nature of an entertainment allowance specifically granted to the assessee by his employer—

(*a*) in the case of an assessee who is in receipt of a salary from the Government, a sum equal to one-fifth of his salary (exclusive of any special allowance, benefit or other perquisites) or five thousand rupees whichever is less ; and

(*b*) in the case of any other assessee, a sum equal to one-fifth of the salary (exclusive of any special allowance, benefit or other perquisites) or seven thousand five hundred rupees, whichever is less, except in any case where the assessee was not in receipt of such entertainment allowance regularly from his present employer before the year beginning on the first day of April, 1955.".

6. *Amendment of section 9.*—In section 9 of the Income-tax Act, after clause (*b*) of sub-section (*4*), the following clause shall be inserted and shall be deemed always to have been inserted, namely :—

"(*c*) taxes levied by a local authority in respect of any property shall be deemed to include service taxes levied by the local authority in respect of the property.".

7. *Amendment of section 10.*—In section 10 of the Income-tax Act,—

(*1*) for clause (*vib*) of sub-section (*2*), the following clause shall be substituted namely :—

"(*vib*) in respect of a new ship acquired or new machinery or plant installed after the 31st day of March, 1954, which is wholly used for the purposes of the business carried on by the assessee, a sum by way of development rebate in respect of the year of acquisition of the ship or of the installation of the machinery or plant, equivalent to,—

(*i*) in the case of a ship acquired after the 31st day of December, 1957, forty per cent. of the actual cost of the ship to the assessee ; and

(*ii*) in the case of a ship acquired before the 1st day of January, 1958, and in the case of any machinery or plant, twenty-five per cent of the actual cost of the ship or machinery or plant to the assessee.

Explanation 1.—In the case of a ship acquired or machinery or plant installed after the 31st day of December, 1957, where the total income of the assessee for the year of acquisition or installation (the total income for this purpose being computed without making any allowance under this clause) is *nil* or is less than the

full amount of the development rebate calculated at the rate applicable thereto under this clause—

(*i*) the sum to be allowed by way of development rebate for that year under this clause shall be only such amount as is sufficient to reduce the said total income to *nil* ; and

(*ii*) the amount of the development rebate, to the extent to which it has not been allowed as aforesaid, shall be carried forward to the following year, and the development rebate to be allowed for the following year shall be such amount as is sufficient to reduce the total income of the assessee for that year, computed in the manner aforesaid, to *nil* and the balance of the development rebate, if any, still outstanding shall be carried forward to the following year and so on, so however that no portion of the development rebate shall be carried forward for more than eight years.

Explanation 2.—Where in any year development rebate is to be allowed in accordance with the provisions of *Explanation 1* in respect of ships acquired or machinery or plant installed in more than one year, and the total income of the assesee for that year (the total income for this purpose being computed without making any allowance under this clause) is less than the aggregate of the amounts due to be allowed in respect of the assets aforesaid for that year, the following procedure shall be followed, namely :—

(*i*) the allowance under paragraph (*ii*) of *Explanation 1* shall be made before any allowance under paragraph (*i*) of that *Explanation* is made; and

(*ii*) where an allowance has to be made under paragraph (*ii*) of *Explanation* 1 in respect of amounts carried forward from more than one year, the amount carried forward from an earlier year shall be allowed before any amount carried forward from a later year :

Provided that no allowance under this clause shall be made unless—

(*a*) the particulars prescribed for the purpose of clause (*vi*) have been furnished by the assessee in respect of the ship or machinery or plant; and

(*b*) except where the assessee is a company being a licensee within the meaning of the Electricity (Supply) Act, 1948 (54 of 1948), or where the ship has been acquired or the machinery or plant has been installed before the 1st day of January, 1958, an amount equal to seventy-five per cent. of the development rebate to be actually allowed is debited to the profit and loss account of the relevant previous year and credited to a reserve account to be utilised by him during a period of ten years next following for the purposes of the business of the undertaking, except—

(*i*) for distribution by way of dividends or profits ; or

(*ii*) for remittance outside India as profits or for the creation of any asset outside India,

and if any such ship, machinery or plant is sold or otherwise transferred by the assessee to any person other than the Government at any time before the expiry of ten years from the end of the year in which it was acquired or installed, any allowance made under this clause shall be deemed to have been wrongly allowed for the purposes of this Act." ;

(*2*) after sub-section (*4A*), the following sub-section shall be inserted and shall be deemed always to have been inserted, namely :—

"(4B) Nothing in clause (*vi*) or clause (*via*) of sub-section (*2*) shall be deemed to authorise the allowance for any previous year of any sum in respect

of any building, machinery, plant or furniture sold, discarded, demolished or destroyed in that year.".

8. *Amendment of section* 18.—In sub-section (2) of section 18 of the Income-tax Act, for the words "at a rate representing the average of the rates applicablo to the estimated total income of the assessee under this head", the words " at a rate representing the average of the rates in force for the financial year in which he is required to deduct the tax which are applicable to the estimated total income of the assessee under this head" shall be substituted, and shall be deemed always to have been substituted.

9. *Amendment of section* 23A.—In section 23A of the Income-tax Act in sub-section (1), for the words unless he is satisfied that, having regard to the losses incurred by the company in earlier year or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonable", the following shall be substituted, namely :—

"unless he is satisfied—

(*i*) that, having regard to the losses incurred by the company in earlier years or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonable ; or

(*ii*) that the payment of a dividend or a larger dividend than that declared would not have resulted in a benefit to the revenue; ".

10. *Amendment of section.*—35 In section 35 of the Income-tax Act, after sub-section (10), the following sub-section shall be inserted, namely: —

" (*11*) Where an allowance by way of development rebate has been made wholly or partly to an assessee in respect of a ship, machinery or plant in any year of assessment under clause (*vib*) of sub-section (*2*) of section 10 and subsequently at any time before the expiry of ten years from the end of the year in which the ship was acquired or the machinery or plant was installed—

(*i*) the ship, machinery or plant is sold or otherwise transferred by the assessee to any person other than the Government ; or

(*ii*) the assessee utilises the amount credited to the reserve account under that clause—

(*a*) for distribution by way of dividends or profits ; or

(*b*) for remittance outside India as profits or for the creation of any asset outside India ; or

(*c*) for any other purpose which is not a purpose of the business of the undertaking ;

the development rebate originally allowed shall be deemed to have been wrongly allowed, and the Income-tax Officer may, notwithstanding anything contained in this Act, proceed to re-compute the total income of the assessee for the relevant year as if the re-computation is a rectification of a mistake apparent from the record within the meaning of this section, and the provisions of sub-section (*1*) shall apply accordingly, the period of four years specified therein being reckoned from the end of the year in which the transfer takes place or the money is so utilised.".

11. *Substitution of new section for section* 44.—For section 44 of the Income-tax Act, the following section shall be substituted, namely :—

"44. *Liability in case of firm or association discontinued or dissolved.*—(1) Where any business, profession or vocation carried on by a firm or other association of

persons has been discontinued or where a firm or other association of persons is dissolved, the Income-tax Officer shall make an assessment of the total income of the firm or other association of persons as such as if no such discontinuance or dissolution had taken place.

(2) If the Income-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal in the course of any proceedings under this Act in respect of any such firm or other association of persons as is referred to in sub-section (1) is satisfied that the firm or other association is guilty of any of the acts specified in clause (*a*) or clause (*b*) or clause (*c*) of sub-section (1) of section 28, he or it may impose or direct the imposition of a penalty in accordance with the provisions of that section.

(3) Every person who was at the time of such discontinuance or dissolution a partner of the firm or a member of the association, as the case may be, shall be jointly and severally liable for the amount of tax or penalty payable, and all the provisions of Chapter IV so far as may be, shall apply to any such assessment or imposition of penalty.".

12. *Amendment of section* 59.—In section 59 of the Income-tax Act, after clause (*a*) of sub-section (2), the following clause shall be inserted, namely :—

"(*aa*) provide for the determination of the value of any perquisite chargeable to tax under this Act in such manner and on such basis as appears to the Central Board of Revenue to be proper and reasonable :

Provided that the rules made in respect of the matters specified in this clause on the first occasion they are made shall not be subject to the condition of previous publication and may be given retrospective effect from such date as the Central Board of Revenue thinks fit;".

13. *Commencement of amendments to Act* 11 *of* 1922.—(*1*) The amendment to the Income-tax Act made by sub-clause (*3*) of clause (*ii*) of section 3 shall not apply—

(*a*) to a person to whom the second proviso to clause (*xiva*) of sub-section (*3*) of section 4 of the Income-tax Act applies if his contract of service has been approved by the Central Government before the 1st day of March, 1958 ; or

(*b*) to any other person who arrives in India before the 1st day of April, 1958.

(*2*) Save, as otherwise provided in sub-section (*1*) or elsewhere in this Act, the amendments to the Income-tax Act made by this Act shall have effect on and from the 1st day of April, 1958.

14. *Amendment of Act* 27 *of* 1957.—In the Wealth-tax Act, 1957, the following amendments shall be made and shall be deemed always to have been made namely :—

(*a*) for clause (*h*) of section 2, the following clause shall be substituted, namely :—

'(*h*) "Company" means a company as defined in section 3 of the Companies Act, 1956 (1 of 1956), and includes—

(*i*) a company within the meaning of any law in force in the State of Jammu and Kashmir relating to companies ; and

(*ii*) a company incorporated outside India which has a place of business in India ; ' ;

(*b*) in clause (*xvi*) of sub-section (*1*) of section 5, for the words " and post office national savings certificates", the words "post office national savings certificates, post office national plan certificates and twelve year national plan savings certificates" shall be substituted ;

(*c*) in section 6, for the words "In computing the net wealth of an individual", the words " In computing the net wealth of an individual who is not a citizen of India or of an individual" shall be substituted.

15. *Amendment of Act* 32 *of* 1934.—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in Parts I, II and III of the Second Schedule.

16. *Amendment of Act* 1 *of* 1949.—(*1*) In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1958", the figures "1959" shall be substituted.

(*2*) For the removal of doubts it is hereby declared that the continuance by sub-section (*1*) of the amendments referred to in section 4 of the Indian Tariff (Amendment) Act, 1949 (1 of 1949), shall be subject to the amendments made in the Tariff Act by this Act, and, further, be deemed always to have been subject to the amendments, if any, made in the Tariff Act by any Act of Parliament passed after the commencement of the Indian Tariff (Amendment) Act, 1949.

17. *Amendment of Act* 1 *of* 1944.—In the First Schedule to the Central Excises and Salt Act, 1944,—

(*a*) in Item No. 9,—

(*i*) for sub-item I(5) (iii), the following shall be substituted, namely:—

"(*iii*) granule ('rawa') of tobacco capable of passing through a sieve having 16 uniform circular or square apertures per linear inch";

(*ii*) the *Explanation* to sub-item I(5) shall be omitted;

(*b*) in Item No. 15, for the entry in the third column, the entry "Twenty-four rupees per ton" shall be substituted.

18. *Discontinuance of salt duty*.—For the year beginning on the 1st day of April 1958, no duty under the Central Excises and Salt Act, 1944 (1 of 1944), or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

THE FIRST SCHEDULE

(*See* section 2)

PART I

Income-tax and surcharge on income-tax

Paragraph A

(*i*) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case

Rates of Income-tax

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener	
	Rs.	Rs.	Rs.	
(1) On the first . .	3,000 of total income	3,300 of total income	3,600 of total income	*Nil*
(2) On the next . .	2,000 "	1,700 "	1,400 "	3%
(3) On the next . .	2,500 "	2,500 "	2,500 "	6%
(4) On the next . .	2,500 "	2,500 "	2,500 "	9%
(5) On the next .	2,500 "	2,500 "	2,500 "	11%
(6) On the next . .	2,500 "	2,500 "	2,500 "	14%
(7) On the next . .	5,000 "	5,000 "	5,000 "	18%

(*ii*) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons, not being a case to which Paragraph B or Paragraph C or Paragraph D of this Part applies :—

	Rs.	
(1) On the first	1,000 of total income	*Nil*
(2) On the next	4,000 "	3%
(3) On the next	2,500 "	6%
(4) On the next	2,500 "	9%
(5) On the next	2,500 "	11%
(6) On the next	2,500 "	14%
(7) On the next	5,000 "	18%
(8) On the balance of total income		25%

Provided that for the purposes of this Paragraph—

(*i*) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(*ii*) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit ;

(*iii*) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(*a*) the income-tax which would have been payable if the total income had been Rs. 20,000 ;

(*b*) half the amount by which the total income exceeds Rs. 20,000 ;

The limit aforesaid shall be—

(*i*) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous years satisfies either of the following conditions namely :—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 3,000 in every other case.

Surcharges on Income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent of the amount of income-tax; and

(*ii*) where the earned income included in the total income exceeds Rs. 1,00,000 five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000 ;

(*b*) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income :

Provided that—

(*i*) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below ;

(*ii*) no special surcharge on unearned income shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less :

Provided further that—

(*a*) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge on unearned income shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(*b*) the surcharge for purposes of the Union and the special surcharge on unearned income, both together shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(*i*) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely :—

(*a*) that it has at least two members entitled to claim partition who are less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 7,500 in every other case.

Explantion..—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grandfather notwithstanding any custom to the contrary.

Paragraph B

In the case of every company and local authority,—

Rates of income-tax

On the whole of the total income 30%

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 5 per cent. thereon.

Paragraph C

(1) In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rates of income-tax

On the whole of the total income 25%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 20 per cent. thereon.

(2) In every case in which under the provisions of the Income-tax Act, income-tax is to be deducted at the maximum rate, deduction shall be made from the whole income which is to be subjected to such deduction at the following rates, namely:—

	Rate of income-tax on the whole income	Rate of surcharge on the whole income
In the case of every company	30%	1·5%
In any other case	25%	5%

Paragraph D

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 40,000 of total income . . .	*Nil*
(2) On the next Rs. 35,000 of total income .	5%
(3) On the next Rs. 75,000 of total income	6%
(4) On the balance of total income . . .	9%

PART II

Super-tax and surcharge on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income	*Nil*
(2) On the next Rs. 5,000 of total income	5%
(3) On the next Rs. 5,000 of total income	15%
(4) On the next Rs. 10,000 of total income	20%
(5) On the next Rs. 10,000 of total income	30%
(6) On the next Rs. 10,000 of total income	35%
(7) On the next Rs. 10,000 of total income	40%
(8) On the balance of total income	45%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of super-tax ; and

(*ii*) where the earned income included in the total income exceed Rs. 1,00,000 five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned in come had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(*b*) A special surcharge on unearned income at fifteen per cent of the difference between the amount of super-tax on and the total income the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income.

Paragraph B

In the case of every local authority,—

Rates of super-tax

On the whole of the total income 16%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12 1/2% thereon.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income	*Nil*
(2) On the balance of total income	16%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12 1/2% thereon.

Paragraph D

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956)—

Rates of super-tax

On the whole of its profits and gains from life insurance business. 11%

In the case of every other company,—

Rates of super-tax

On the whole of the total income. 50%

Provided that,—

(*i*) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and rebate at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(*a*) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1959, has made theprescribed arrangements for the declaration and payment within India of the dividends payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(*b*) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000:

(*ii*) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 30% on the balance of the total income shall be allowed in the case of any company which satisfies condition (*a*) but not condition (*b*) of the preceding clause ;

(*iii*) a rebate at the rate of 40% on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 20% on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses :

Provided further that,—

(*i*) the amount of the rebate under clause (*i*) or clause (*ii*) shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts as the case may be, computed as hereunder :—

The whole amount of such part.—(*a*) on that part of the aggregate of the sums arrived at in accordance with clause (*i*) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance (No. 2) Act, 1957 (26 of 1957), as has not been deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to nil;

At the rate of 30%.—(*b*) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except to the extent to which such bonus shares or bonus have been issued out of premiums received in cash on the issue of its shares; and

(*c*) in addition, in the case of a company referred to in clause (*ii*) of the preceding proviso which has distributed to its shareholders during the previous year dividends in excess of six per cent. of its paid-up capital, not being dividends payable at a fixed rate—

(A) in the case of a company which is not such as is referred to in sub-section (9) of section 23A of the Income-tax Act,—

on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital;	At the rate of 10%
on that part of the said dividends which exceeds 10 per cent. of the paid-up capital;	At the rate of 20 %

and

(B) in the case af any other company—

On that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital;	At the rate of 10%.
On that part of the said dividends which exceeds 10 per cent. but does not exceed 18 per cent. of the paid-up capital;	At the rate of 20%
On that part of the said dividends which exceeds 18 per cent. of the paid-up capital;	At the rate of 30%

(*ii*) where the sum arrived at in accordance with clause (*i*) of this provision exceeds the amount of the rebate arrived at in accordance with clause (*i*) or clause (*ii*), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (*a*), (*b*) and (*c*) of clause (*i*) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose :

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand shall not exceed the aggregate of—

(*a*) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand, and

(*b*) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this Paragraph—

(*i*) the expression "paid-up capital" means the paid-up capital (other than capital entitled to a dividend at a fixed rate) of the company as on the first day of the previous year relevant to the assessment for the year ending on the 31st day of March, 1959, increased by any premiums received in cash by the company on the issue of its shares, standing to the credit of the share premium account as on the first day of the previous year aforesaid;

(*ii*) the expression "dividend" shall be deemed to include any distribution included in the expression "dividend" as defined in clause (6A) of section 2 of the Income-tax Act;

(*iii*) where any portion of the profits and gains of the company is not included in its total income by reason of such portion being exempt from tax under any provision of the Income-tax Act, the "paid-up capital" of the company, the amount distributed as dividends (not being dividends payable at a fixed rate), the amount representing the face value of any bonus shares and the amount af any bonus issued to the shareholders shall each be deemed to be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year other than capital receipts, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss account for that year.

THE SECOND SCHEDULE

(*See* section 15)

PART I

In the First Schedule to the Tariff Act,—

(*i*) in Item No. 47(2), for the existing entry in the fourth column, the entry "Rs. 3 per pound or 50 per cent. *ad valorem*, whichever is higher, *plus* the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be substituted ;

(*ii*) in Item No. 63(24), for the existing entries in the fourth and fifth columns the entries " 50 per cent. *ad valorem*" and " 40 per cent. *ad valorem*" shall respectively be substituted ;

(*iii*) in Item No. 63(33), for sub-item (*b*) in the second column, the following sub-item shall be substituted, namely :—

"(*b*) machine screws, including the following types the shank of which has been threaded to within two pitches from the head, namely :—

(*i*) mushroom head roofing bolts, all types;

(*ii*) hexagonal head bolts, all types ;

(*iii*) mudguard cycle bolts (with threading other than British Standard cycle threading).".

PART II

In the First Schedule to the Tariff Act, for Items Nos. 28(27), 28(28) and 71(13), the following Items shall respectively be substituted, namely:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
" 28(27)	Antibiotics, such as streptomycin, gramicidin, tyrocidine tyrothricin and preparations which contain only one antibiotic and are free from other therapeutic ingredients, but not including penicillin in bulk, and penicillin and its products specified in Items Nos. 28(26) and 28(26A).	Preferential Revenue.	20 per cent. *ad valorem.*	14 per cent. *ad valorem.*	14 per cent. *ad valorem.*	..
28(28)	(*a*) Sulpha drugs and preparations which contain only one sulpha drug and are free from other therapeutic ingredients;	Preferential Revenue.	20 per cent. *ad valorem.*	14 per cent. *ad valorem.*	14 per cent. *ad valorem.*	..
	(*b*) Vitamins and vitamin preparations (excluding fish liver oils) free from other therapeutic ingredients.	Preferential Revenue.	20 per cent. *ad valorem.*	14 per cent. *ad valorem.*	14 per cent. *ad valorem.*	..
71 (13)	(1) Zip fasteners—					
	(*a*) with metal teeth other than those specified in category (*b*).	Revenue	100 per cent. *ad valorem* or Re. 1 per foot, whichever is higher	..	..	..
	(*b*) with metal teeth having not more than 9 teeth per inch on either side and in which the total width of the metal portion in the closed state is not less than 8 m.m.	Revenue	100 per cent. *ad valorem* or Re.1 per foot, whichever is higher.	..	...	..
	(*c*) not otherwise specified.	Revenue	100 per cent. *ad valorem* or Re. 1 per foot, whichever is higher.	..	..	..
	(2) Parts of zip fasteners—					
	(*a*) teeth, that is to say, each of the two sides of teeth, whether imported in continuous lengths or cut to size and whether imported in interlocking pairs or not.	Revenue	100 per cent. *ad valorem* or 50 *naye paise* per foot, whichever is higher.	..	..	..
	(*b*) others	Revenue	100 per cent. *ad valorem.*	..	..	..

PART III

In the Second Schedule to the Tariff Act, in Item No. 9, for the existing entry in the second column, the entry "Musterd oil (including rapeseed oil, jamba oil and radish seed oil)" shall be substituted.

G. R. RAJAGOPAUL,
Addl. Secy. to the Govt. of India.

THE GIFT-TAX ACT, 1958

No. 18 OF 1958

An Act to provide for the levy of gift-tax

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(*1*) This Act may be called the Gift tax Act, 1958.

(*2*) It extends to the whole of India except the State of Jammu and Kashmir.

(*3*) It shall be deemed to have come into force on the 1st day of April, 1958.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*i*) "Appellate Assistant Commissioner" means a person empowered to exercise the powers of the Appellate Assistant Commissioner of Gift-tax under section 8 ;

(*ii*) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Income-tax Act ;

(*iii*) "assessee" means a person by whom gift-tax or any other sum of money is payable under this Act, and includes every person in respect of whom any proceeding under this Act has been taken of the determination of the gift-tax payable by him ;

(*iv*) "assessment year" means the year for which tax is chargeable under section 3 ;

(*v*) "Board " means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (4 of 1924) ;

(*vi*) "Commissioner" means a person empowered to exercise the powers of a Commissioner of Gift-tax under section 9;

(*vii*) "company" means a company as defined in section 3 of the Companies Act, 1956 (1 of 1956) and includes a foreign company within the meaning of section 591 of that Act ;

(*viii*) "donee" means any person who acquires any property under a gift and, where a gift is made to a trustee for the benefit of another person includes both the trustee and the beneficiary ;

(*ix*) "donor" means any person who makes a gift ;

(*x*) "executor" means an executor or administrator of the estate of a deceased person ;

(*xi*) "firm" has the meaning assigned to it in the Indian Partnership Act, 1932 (9 of 1932);

(*xii*) "gift" means the transfer by one person to another of any existing movable or immovable property made voluntarily and without consideration in money or money's worth, and includes the transfer of any property deemed to be a gift under section 4 ;

(*xiii*) "Gift-tax Officer" means the Income-tax Officer authorised to perform the functions of a Gift-tax Officer under section 7 ;

(*xiv*) "Income-tax Act" means the Indian Income-tax Act, 1922 (11 of 1922);

(*xv*) "Income-tax Officer" means a person appointed to be an Income-tax Officer under the Income-tax Act ;

(*xvi*) "Inspecting Assistant Commissioner of Gift-tax" means a person empowered to exercise the functions of an Inspecting Assistant Commissioner of Gift-tax under section 10 ;

(*xvii*) "partner" has the meaning assigned to it in the Indian Partnership Act, 1932 (9 of 1932) and includes a person who being a minor has been admitted to the benefits of partnership ;

(*xviii*) "person" includes a Hindu undivided family or a company or an association or a body of individuals or persons, whether incorporated or not ;

(*xix*) "prescribed" means prescribed by rules made under this Act ;

(*xx*) "previous year", in relation to any assessment year—

(*a*) in the case of an assessee having a source of income, profits or gains in respect of which there is no previous year under the Income-tax Act, means the twelve months ending on the 31st day of March immediately preceeding the assessment year ;

(*b*) in the case of an assessee having different previous years under the Income-tax Act for different sources of income, profits or gains, means that previous year of twelve months determined as the previous year under sub-clause (*a*) of clause (*11*) of section 2 of the Income-tax Act or such period determined as the previous year under sub-clause (*b*) of clause (*11*) of that section, whichever expired last ;

(*c*) in the case of any other assessee, means the previous year as defined in clause (*11*) of section 2 of the Income-tax Act if an assessment were to be made under that Act for that year ;

(*xxi*) "principal officer", used with reference to a company or any association of persons, means—

(*a*) the secretary and treasurer, manager, managing agent, managing director or agent of the company or association ; or

(*b*) any person connected with the management of the affairs of the company or association upon whom the Gift-tax Officer has served a notice of his intention of treating him as the principal officer thereof ;

(*xxii*) "property" includes any interest in property, movable or immovable ;

(*xxiii*) "taxable gifts" means gifts chargeable to Gift-tax under this Act ;

(*xxiv*) "transfer of property" means any disposition, conveyance, assignment, settlement, delivery, payment or other alienation of property and, without limiting the generality of the foregoing, includes—

(*a*) the creation of a trust in property ;

(*b*) the grant or creation of any lease, mortgage, charge, easement, licence, power, partnership or interest in property ;

(*c*) the exercise of a power of appointment of property vested in any person, not the owner of the property, to determine its disposition in favour of any person other than the donee of the power ; and

(*d*) any transaction entered into by any person with intent thereby to diminish directly or indirectly the value of his own property and to increase the value of the property of any other person ;

(*xxv*) "valuer" means a valuer appointed under section 4 of the Estate Duty Act, 1953 (34 of 1953).

CHAPTER II

CHARGE OF GIFT-TAX AND GIFTS SUBJECT TO SUCH CHARGE

3. *Charge of gift-tax.*—Subject to the other provisions contained in this Act, there shall be charged for every financial year commencing on and from the 1st day of April, 1958, a tax (hereinafter referred to as gift-tax) in respect of the gift, if any, made by a person during the previous year (other than gifts made before the 1st day of April, 1957) at the rate or rates specified in the Schedule.

4. *Gifts to include certain transfers.*—For the purposes of this Act,—

(*a*) where property is transferred otherwise than for adequate consideration, the amount by which the market value of the property at the date of the transfer exceeds the value of the consideration shall be deemed to be a gift made by the transferor ;

(*b*) where property is transferred for a consideration which, having regard to the circumstances of the case, has not passed or is not intended to pass either in full or in part from the transferee, to the transferor, the amount of the considration which has not passed or is not intended to pass shall be deemed to be a gift made by the transferor ;

(*c*) where there is a release, discharge, surrender, forfeiture or abandonment of any debt, contract or other actionable claim or of any interest in property by any person, the value of the release, discharge, surrender, forfeiture or abandonment, to the extent to which it has not been found to the satisfacton of the Gift-tax Officer to have been *bona fide*, shall be deemed to be a gift made by the person responsible for the release, discharge, surrender, forfeiture or abandonment;

(*d*) where a person absolutely entitled to property causes or has caused the same to be vested in whatever manner in himself and any other person jointly without adequate consideration and such other person makes an appropriation from or out of the said property, the amount of the appropriation used for the benefit of the person making the appropriation or for the benefit of any other person shall be deemed to be a gift made in his favour by the person who causes or has caused the property to be so vested.

5. *Exemption in respect of certain gifts.*—(1) Gift-tax shall not be charged under this Act in respect of gifts made by any person—

(*i*) of immovable property situate outside the territories to which this Act extends ;

(*ii*) of movable property situate outside the said territories unles the person—

(*a*) being an individual, is a citizen of India and is ordinarily resident in the said territories, or

(*b*) not being an individual, is resident in the said territories, during the previous year in which the gift is made ;

(*iii*) of property in the form of savings certificates issued by the Central Government, which that Government, by notification in the Official Gazette, exempts from gift-tax ;

(*iv*) to the Government or any local authority ;

(*v*) to any institution or fund established for a charitable purpose to which the provisions of section 15B of the Income-tax Act apply ;

(*vi*) for any charitable purpose not falling within clause (*v*)—

(*i*) made at any time before the 1st day of April, 1958 ; or

(*ii*) made at any time after that date subject, in respect of each such gift, to a maximum of rupees one hundred in value and, in respect of such gifts in any one previous year to the same donee, to a maximum of rupees five hundred in value in the aggregate ;

(*vii*) to any relative dependent upon him for support and maintenance, on the occasion of the marriage of the relative, subject to a maximum of rupees ten thousand in value in respect of the marriage of each such relative ;

(*viii*) to his or her spouse, subject to a maximum of rupees one lakh in value in the aggregate in one or more previous years, the expression "spouse" in this clause, where there are more wives than one, meaning all the wives together ;

(*ix*) of policies of insurance or annuities to any person (other than his wife) who is dependent upon him for support and maintenance, subject to a maximum of rupees ten thousand in value in the aggregate in one or more previous years of the benefits in respect of each such donee ;

(*x*) under a will ;

(*xi*) in contemplation of death ;

(*xii*) for the education of his children, to the extent to which the gifts are proved to the satisfaction of the Gift-tax Officer as being reasonable having regard to the circumstances of the case ;

(*xiii*) being an employer, to any employee by way of bonus, gratuity or pension or to the dependents of a deceased employee, to the extent to which the payment of such bonus, gratuity or pension is proved to the satisfaction of the Gift-tax Officer as being reasonable having regard to the circustances of the case and is made solely in recognition of the services rendered by the employee ;

(*xiv*) in the course of carrying on a business, profession or vocation to the extent to which the gift is proved to the satisfaction of the Gift-tax Officer to have been made *bona fide* for the purpose of such business, profession or vocation ;

(*xv*) to any person in charge of any such *Bhoodan* or *Sampattidan* movement as the Central Government may, by notification in the Official Gazette, specify ;

(*xvi*) out of the sums, if any, guaranteed or assured by the Central Government as his privy purse, if the gifts are made for—

(*a*) the maintenance of any relatives dependent on him for support and maintenance ; or

(*b*) for the performance of any official ceremonies :

Provided that such gifts are in accordance with the practice, usage or tradition of the family to which the person making the gift belongs.

(2) Without prejudice to the provisions contained in sub-section (1), gift-tax shall not be charged under this Act in respect of gifts made by any person during the previous year, subject to a maximum of rupees ten thousand in value.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2) where either spouse makes any gifts out of any such gifts received by that spouse as fall within clause (*viii*) of sub-section (1), the gifts so made shall be deemed to be taxable gifts made by that spouse and nothing contained in sub-section (1) or sub-section (2) shall apply in relation to any such gifts.

Explanation.—For the purposes of this section.—

(*a*) an individual shall be deemed to be ordinarily resident in the territories to which this Act extends during the previous year in which the gift is made if during that year he is regarded as a resident but not as not ordinarily resident in the taxable territories within the meaning of the Income-tax Act ;

(*b*) a Hindu undivided family, firm or other association of persons shall be deemed to be resident in the territories to which this Act extends during any previous year unless, during that year, the control and management of its affairs was situated wholly outside the said territories ;

(*c*) a company shall be deemed to be resident in the territories to which this Act extends during the previous year, if—

(*i*) it is a company formed and registered under the Companies Act, 1956 (10 of 1956) or is an existing company within the meaning of that Act ; or

(*ii*) during that year, the control and management of that company was situated wholly in the said territories ;

(*d*) "gifts made in contemplation of death" has the same meaning as in section 191 of the Indian Succession Act, 1925 (39 of 1925).

6. *Value of gifts, how determinrd.*—(1) The value of any property other than cash transferred by way of gift shall, subject to the provisions of sub-sections (2) and (3), be estimated to be the price which in the opinion of the Gift-tax Officer it would fetch if sold in the open market on the date on which the gift was made.

(2) Where a person makes a gift which is not revocable for a specified period the value of the property gifted shall be the capitalized value of the income from the property gifted during the period for which the gift is not revocable.

(3) Where the value of any property cannot be estimated under sub-section (1) because it is not saleable in the open market, the value shall be determined in the prescribed manner.

CHAPTER III

GIFT-TAX AUTHORITIES

7. *Gift-tax Officers.*—Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any person shall perform the function of a Gift-tax Officer under this Act in respect of that person.

Explanation.—For the purposes of this section, the Income-tax Officer having jurisdiction in relation to a person who has no income assessable to income-tax

under the Income-tax Act, means the Income-tax Officer of the area in which that person resides.

8. *Appellate Assistant Commissioners of Gift-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Gift-tax, and on being so empowered the Appellate Assistant Commissioners shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissiners the same areas or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Board may make for the distribution and allocation of the work to be performed.

9. *Commissioners of Gift-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Gift-tax, and on being so empowered the Commissioners of Gift-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Commissioners the same area, or the same persons or the same classes of persons they shall have concurrent jurisdiction subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed.

10. *Inspecting Assistant Commissioners of Gift-tax.*—The Commissioner of Gift-tax may empower as many persons as he thinks fit to exercise under this Act functions of an Insepcting Assistant Commissioner of Gift-tax, and on being so empowered the Inspecting Assistant Commissioners of Gift-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Commissioners may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners the same area or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Commissioner may make for the distribution and allocation of the work to be performed.

11. *Gift-tax Officers to be subordinate to the Commissioner of gift-tax and the Inspecting Assistant Commissioner of Gift-tax.*—The Gift-tax Officers shall be subordinate to the Commissioner of Gift-tax and the Inspecting Assistant Commissioner of Gift tax within whose jurisdiction they perform their functions.

12. *Gift-tax authorities to follow orders, etc. of the Board.*—All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board :

Provided that no orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Gift-tax in the exercise of his appellate functions.

CHAPTER IV

ASSESSMENT

13. *Return of gifts.*—(1) Every person who during a previous year has made any taxable gifts shall, before the thirtieth day of June of the corresponding assessment year, furnish to the Gift-tax Officer a return in the prescribed form and verified in the prescribed manner.

(2) If the Gift-tax Officer is of opinion that in respect of the gifts made by a person during any previous year he is liable to gift-tax under this Act, then not with

Provided that for the purposes of this Paragraph—

(*i*) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(*ii*) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit ;

(*iii*) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(*a*) the income-tax which would have been payable if the total income had been Rs. 20,000 ;

(*b*) half the amount by which the total income exceeds Rs. 20,000 ;

The limit aforesaid shall be—

(*i*) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous years satisfies either of the following conditions namely :—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 3,000 in every other case.

Surcharges on Income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent of the amount of income-tax; and

(*ii*) where the earned income included in the total income exceeds Rs. 1,00,000 five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000 ;

(*b*) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income :

Provided that—

(*i*) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below ;

(*ii*) no special surcharge on unearned income shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less :

Provided further that—

(*a*) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge on unearned income shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(*b*) the surcharge for purposes of the Union and the special surcharge on unearned income, both together shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(*i*) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely :—

(*a*) that it has at least two members entitled to claim partition who are less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 7,500 in every other case.

Explantion..—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grandfather notwithstanding any custom to the contrary.

Paragraph B

In the case of every company and local authority,—

Rates of income-tax

On the whole of the total income 30%

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 5 per cent. thereon.

Paragraph C

(1) In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rates of income-tax

On the whole of the total income 25%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 20 per cent. thereon.

(2) In every case in which under the provisions of the Income-tax Act, income-tax is to be deducted at the maximum rate, deduction shall be made from the whole income which is to be subjected to such deduction at the following rates, namely:—

	Rate of income-tax on the whole income	Rate of surcharge on the whole income
In the case of every company	30%	1·5%
In any other case	25%	5%

Paragraph D

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 40,000 of total income	*Nil*
(2) On the next Rs. 35,000 of total income .	5%
(3) On the next Rs. 75,000 of total income	6%
(4) On the balance of total income . . .	9%

PART II

Super-tax and surcharge on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income	*Nil*
(2) On the next Rs. 5,000 of total income	5%
(3) On the next Rs. 5,000 of total income	15%
(4) On the next Rs. 10,000 of total income	20%
(5) On the next Rs. 10,000 of total income	30%
(6) On the next Rs. 10,000 of total income	35%
(7) On the next Rs. 10,000 of total income	40%
(8) On the balance of total income	45%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of super-tax ; and

(*ii*) where the earned income included in the total income exceed Rs. 1,00,000 five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned in come had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(*b*) A special surcharge on unearned income at fifteen per cent of the difference between the amount of super-tax on and the total income the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income.

Paragraph B

In the case of every local authority,—

Rates of super-tax

On the whole of the total income 16%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12 1/2% thereon.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income	*Nil*
(2) On the balance of total income	16%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12 1/2% thereon.

Paragraph D

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956)—

Rates of super-tax

On the whole of its profits and gains from life insurance business. 11%

In the case of every other company,—

Rates of super-tax

On the whole of the total income. 50%

Provided that,—

(*i*) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and rebate at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(*a*) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1959, has made theprescribed arrangements for the declaration and payment within India of the dividends payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(*b*) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000:

(*ii*) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 30% on the balance of the total income shall be allowed in the case of any company which satisfies condition (*a*) but not condition (*b*) of the preceding clause ;

(*iii*) a rebate at the rate of 40% on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 20% on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses :

Provided further that,—

(*i*) the amount of the rebate under clause (*i*) or clause (*ii*) shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts as the case may be, computed as hereunder :—

The whole amount of such part.—(*a*) on that part of the aggregate of the sums arrived at in accordance with clause (*i*) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance (No. 2) Act, 1957 (26 of 1957), as has not been deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to nil;

At the rate of 30%.—(*b*) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except to the extent to which such bonus shares or bonus have been issued out of premiums received in cash on the issue of its shares; and

(*c*) in addition, in the case of a company referred to in clause (*ii*) of the preceding proviso which has distributed to its shareholders during the previous year dividends in excess of six per cent. of its paid-up capital, not being dividends payable at a fixed rate—

(A) in the case of a company which is not such as is referred to in sub-section (9) of section 23A of the Income-tax Act,—

on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital;	At the rate of 10%
on that part of the said dividends which exceeds 10 per cent. of the paid-up capital;	At the rate of 20 %

and

(B) in the case af any other company—

On that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital;	At the rate of 10%.
On that part of the said dividends which exceeds 10 per cent. but does not exceed 18 per cent. of the paid-up capital;	At the rate of 20%
On that part of the said dividends which exceeds 18 per cent. of the paid-up capital;	At the rate of 30%

(*ii*) where the sum arrived at in accordance with clause (*i*) of this provision exceeds the amount of the rebate arrived at in accordance with clause (*i*) or clause (*ii*), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (*a*), (*b*) and (*c*) of clause (*i*) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose :

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand shall not exceed the aggregate of—

(*a*) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand, and

(*b*) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this Paragraph—

(*i*) the expression "paid-up capital" means the paid-up capital (other than capital entitled to a dividend at a fixed rate) of the company as on the first day of the previous year relevant to the assessment for the year ending on the 31st day of March, 1959, increased by any premiums received in cash by the company on the issue of its shares, standing to the credit of the share premium account as on the first day of the previous year aforesaid;

(*ii*) the expression "dividend" shall be deemed to include any distribution included in the expression "dividend" as defined in clause (6A) of section 2 of the Income-tax Act;

(*iii*) where any portion of the profits and gains of the company is not included in its total income by reason of such portion being exempt from tax under any provision of the Income-tax Act, the "paid-up capital" of the company, the amount distributed as dividends (not being dividends payable at a fixed rate), the amount representing the face value of any bonus shares and the amount af any bonus issued to the shareholders shall each be deemed to be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year other than capital receipts, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss account for that year.

THE SECOND SCHEDULE

(*See* section 15)

PART I

In the First Schedule to the Tariff Act,—

(*i*) in Item No. 47(2), for the existing entry in the fourth column, the entry "Rs. 3 per pound or 50 per cent. *ad valorem*, whichever is higher, *plus* the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be substituted ;

(*ii*) in Item No. 63(24), for the existing entries in the fourth and fifth columns the entries " 50 per cent. *ad valorem*" and " 40 per cent. *ad valorem*" shall respectively be substituted ;

(*iii*) in Item No. 63(33), for sub-item (*b*) in the second column, the following sub-item shall be substituted, namely :—

"(*b*) machine screws, including the following types the shank of which has been threaded to within two pitches from the head, namely :—

(*i*) mushroom head roofing bolts, all types;

(*ii*) hexagonal head bolts, all types ;

(*iii*) mudguard cycle bolts (with threading other than British Standard cycle threading).".

PART II

In the First Schedule to the Tariff Act, for Items Nos. 28(27), 28(28) and 71(13), the following Items shall respectively be substituted, namely:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
" 28(27)	Antibiotics, such as streptomycin, gramicidin, tyrocidine tyrothricin and preparations which contain only one antibiotic and are free from other therapeutic ingredients, but not including penicillin in bulk, and penicillin and its products specified in Items Nos. 28(26) and 28(26A).	Preferential Revenue.	20 per cent. *ad valorem.*	14 per cent. *ad valorem.*	14 per cent. *ad valorem.*	..
28(28)	(*a*) Sulpha drugs and preparations which contain only one sulpha drug and are free from other therapeutic ingredients;	Preferential Revenue.	20 per cent. *ad valorem.*	14 per cent. *ad valorem.*	14 per cent. *ad valorem.*	..
	(*b*) Vitamins and vitamin preparations (excluding fish liver oils) free from other therapeutic ingredients.	Preferential Revenue.	20 per cent. *ad valorem.*	14 per cent. *ad valorem.*	14 per cent. *ad valorem.*	..
71 (13)	(1) Zip fasteners—					
	(*a*) with metal teeth other than those specified in category (*b*).	Revenue	100 per cent. *ad valorem* or Re. 1 per foot, whichever is higher	..	..	..
	(*b*) with metal teeth having not more than 9 teeth per inch on either side and in which the total width of the metal portion in the closed state is not less than 8 m.m.	Revenue	100 per cent. *ad valorem* or Re.1 per foot, whichever is higher.	..	..	..
	(*c*) not otherwise specified.	Revenue	100 per cent. *ad valorem* or Re. 1 per foot, whichever is higher.	..	..	..
	(2) Parts of zip fasteners—					
	(*a*) teeth, that is to say, each of the two sides of teeth, whether imported in continuous lengths or cut to size and whether imported in interlocking pairs or not.	Revenue	100 per cent. *ad valorem* or 50 *naye paise* per foot, whichever is higher.	..	..	..
	(*b*) others	Revenue	100 per cent. *ad valorem.*	..	..	..

PART III

In the Second Schedule to the Tariff Act, in Item No. 9, for the existing entry in the second column, the entry "Musterd oil (including rapeseed oil, jamba oil and radish seed oil)" shall be substituted.

G. R. RAJAGOPAUL,
Addl. Secy. to the Govt. of India.

THE GIFT-TAX ACT, 1958

No. 18 OF 1958

An Act to provide for the levy of gift-tax

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(*1*) This Act may be called the Gift tax Act, 1958.

(*2*) It extends to the whole of India except the State of Jammu and Kashmir.

(*3*) It shall be deemed to have come into force on the 1st day of April, 1958.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*i*) "Appellate Assistant Commissioner" means a person empowered to exercise the powers of the Appellate Assistant Commissioner of Gift-tax under section 8 ;

(*ii*) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Income-tax Act ;

(*iii*) "assessee" means a person by whom gift-tax or any other sum of money is payable under this Act, and includes every person in respect of whom any proceeding under this Act has been taken of the determination of the gift-tax payable by him ;

(*iv*) "assessment year" means the year for which tax is chargeable under section 3 ;

(*v*) "Board " means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (4 of 1924) ;

(*vi*) "Commissioner" means a person empowered to exercise the powers of a Commissioner of Gift-tax under section 9;

(*vii*) "company" means a company as defined in section 3 of the Companies Act, 1956 (1 of 1956) and includes a foreign company within the meaning of section 591 of that Act ;

(*viii*) "donee" means any person who acquires any property under a gift and, where a gift is made to a trustee for the benefit of another person includes both the trustee and the beneficiary ;

(*ix*) "donor" means any person who makes a gift ;

(*x*) "executor" means an executor or administrator of the estate of a deceased person ;

(*xi*) "firm" has the meaning assigned to it in the Indian Partnership Act, 1932 (9 of 1932);

(*xii*) "gift" means the transfer by one person to another of any existing movable or immovable property made voluntarily and without consideration in money or money's worth, and includes the transfer of any property deemed to be a gift under section 4 ;

(*xiii*) "Gift-tax Officer" means the Income-tax Officer authorised to perform the functions of a Gift-tax Officer under section 7 ;

(*xiv*) "Income-tax Act" means the Indian Income-tax Act, 1922 (11 of 1922);

(*xv*) "Income-tax Officer" means a person appointed to be an Income-tax Officer under the Income-tax Act ;

(*xvi*) "Inspecting Assistant Commissioner of Gift-tax" means a person empowered to exercise the functions of an Inspecting Assistant Commissioner of Gift-tax under section 10 ;

(*xvii*) "partner" has the meaning assigned to it in the Indian Partnership Act, 1932 (9 of 1932) and includes a person who being a minor has been admitted to the benefits of partnership ;

(*xviii*) "person" includes a Hindu undivided family or a company or an association or a body of individuals or persons, whether incorporated or not ;

(*xix*) "prescribed" means prescribed by rules made under this Act ;

(*xx*) "previous year", in relation to any assessment year—

(*a*) in the case of an assessee having a source of income, profits or gains in respect of which there is no previous year under the Income-tax Act, means the twelve months ending on the 31st day of March immediately preceeding the assessment year ;

(*b*) in the case of an assessee having different previous years under the Income-tax Act for different sources of income, profits or gains, means that previous year of twelve months determined as the previous year under sub-clause (*a*) of clause (*11*) of section 2 of the Income-tax Act or such period determined as the previous year under sub-clause (*b*) of clause (*11*) of that section, whichever expired last ;

(*c*) in the case of any other assessee, means the previous year as defined in clause (*11*) of section 2 of the Income-tax Act if an assessment were to be made under that Act for that year ;

(*xxi*) "principal officer", used with reference to a company or any association of persons, means—

(*a*) the secretary and treasurer, manager, managing agent, managing director or agent of the company or association ; or

(*b*) any person connected with the management of the affairs of the company or association upon whom the Gift-tax Officer has served a notice of his intention of treating him as the principal officer thereof ;

(*xxii*) "property" includes any interest in property, movable or immovable ;

(*xxiii*) "taxable gifts" means gifts chargeable to Gift-tax under this Act ;

(*xxiv*) "transfer of property" means any disposition, conveyance, assignment, settlement, delivery, payment or other alienation of property and, without limiting the generality of the foregoing, includes—

(*a*) the creation of a trust in property ;

(*b*) the grant or creation of any lease, mortgage, charge, easement, licence, power, partnership or interest in property ;

(*c*) the exercise of a power of appointment of property vested in any person, not the owner of the property, to determine its disposition in favour of any person other than the donee of the power ; and

(*d*) any transaction entered into by any person with intent thereby to diminish directly or indirectly the value of his own property and to increase the value of the property of any other person ;

(*xxv*) "valuer" means a valuer appointed under section 4 of the Estate Duty Act, 1953 (34 of 1953).

CHAPTER II

CHARGE OF GIFT-TAX AND GIFTS SUBJECT TO SUCH CHARGE

3. *Charge of gift-tax.*—Subject to the other provisions contained in this Act, there shall be charged for every financial year commencing on and from the 1st day of April, 1958, a tax (hereinafter referred to as gift-tax) in respect of the gift, if any, made by a person during the previous year (other than gifts made before the 1st day of April, 1957) at the rate or rates specified in the Schedule.

4. *Gifts to include certain transfers.*—For the purposes of this Act,—

(*a*) where property is transferred otherwise than for adequate consideration, the amount by which the market value of the property at the date of the transfer exceeds the value of the consideration shall be deemed to be a gift made by the transferor ;

(*b*) where property is transferred for a consideration which, having regard to the circumstances of the case, has not passed or is not intended to pass either in full or in part from the transferee, to the transferor, the amount of the considration which has not passed or is not intended to pass shall be deemed to be a gift made by the transferor ;

(*c*) where there is a release, discharge, surrender, forfeiture or abandonment of any debt, contract or other actionable claim or of any interest in property by any person, the value of the release, discharge, surrender, forfeiture or abandonment, to the extent to which it has not been found to the satisfacton of the Gift-tax Officer to have been *bona fide*, shall be deemed to be a gift made by the person responsible for the release, discharge, surrender, forfeiture or abandonment;

(*d*) where a person absolutely entitled to property causes or has caused the same to be vested in whatever manner in himself and any other person jointly without adequate consideration and such other person makes an appropriation from or out of the said property, the amount of the appropriation used for the benefit of the person making the appropriation or for the benefit of any other person shall be deemed to be a gift made in his favour by the person who causes or has caused the property to be so vested.

5. *Exemption in respect of certain gifts.*—(1) Gift-tax shall not be charged under this Act in respect of gifts made by any person—

(*i*) of immovable property situate outside the territories to which this Act extends ;

(*ii*) of movable property situate outside the said territories unles the person—

(*a*) being an individual, is a citizen of India and is ordinarily resident in the said territories, or

(*b*) not being an individual, is resident in the said territories, during the previous year in which the gift is made ;

(*iii*) of property in the form of savings certificates issued by the Central Government, which that Government, by notification in the Official Gazette, exempts from gift-tax ;

(*iv*) to the Government or any local authority ;

(*v*) to any institution or fund established for a charitable purpose to which the provisions of section 15B of the Income-tax Act apply ;

(*vi*) for any charitable purpose not falling within clause (*v*)—

(*i*) made at any time before the 1st day of April, 1958 ; or

(*ii*) made at any time after that date subject, in respect of each such gift, to a maximum of rupees one hundred in value and, in respect of such gifts in any one previous year to the same donee, to a maximum of rupees five hundred in value in the aggregate ;

(*vii*) to any relative dependent upon him for support and maintenance, on the occasion of the marriage of the relative, subject to a maximum of rupees ten thousand in value in respect of the marriage of each such relative ;

(*viii*) to his or her spouse, subject to a maximum of rupees one lakh in value in the aggregate in one or more previous years, the expression "spouse" in this clause, where there are more wives than one, meaning all the wives together ;

(*ix*) of policies of insurance or annuities to any person (other than his wife) who is dependent upon him for support and maintenance, subject to a maximum of rupees ten thousand in value in the aggregate in one or more previous years of the benefits in respect of each such donee ;

(*x*) under a will ;

(*xi*) in contemplation of death ;

(*xii*) for the education of his children, to the extent to which the gifts are proved to the satisfaction of the Gift-tax Officer as being reasonable having regard to the circumstances of the case ;

(*xiii*) being an employer, to any employee by way of bonus, gratuity or pension or to the dependents of a deceased employee, to the extent to which the payment of such bonus, gratuity or pension is proved to the satisfaction of the Gift-tax Officer as being reasonable having regard to the circustances of the case and is made solely in recognition of the services rendered by the employee ;

(*xiv*) in the course of carrying on a business, profession or vocation to the extent to which the gift is proved to the satisfaction of the Gift-tax Officer to have been made *bona fide* for the purpose of such business, profession or vocation ;

(*xv*) to any person in charge of any such *Bhoodan* or *Sampattidan* movement as the Central Government may, by notification in the Official Gazette, specify ;

(*xvi*) out of the sums, if any, guaranteed or assured by the Central Government as his privy purse, if the gifts are made for—

(*a*) the maintenance of any relatives dependent on him for support and maintenance ; or

(*b*) for the performance of any official ceremonies :

Provided that such gifts are in accordance with the practice, usage or tradition of the family to which the person making the gift belongs.

(2) Without prejudice to the provisions contained in sub-section (1), gift-tax shall not be charged under this Act in respect of gifts made by any person during the previous year, subject to a maximum of rupees ten thousand in value.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2) where either spouse makes any gifts out of any such gifts received by that spouse as fall within clause (*viii*) of sub-section (1), the gifts so made shall be deemed to be taxable gifts made by that spouse and nothing contained in sub-section (1) or sub-section (2) shall apply in relation to any such gifts.

Explanation.—For the purposes of this section.—

(*a*) an individual shall be deemed to be ordinarily resident in the territories to which this Act extends during the previous year in which the gift is made if during that year he is regarded as a resident but not as not ordinarily resident in the taxable territories within the meaning of the Income-tax Act ;

(*b*) a Hindu undivided family, firm or other association of persons shall be deemed to be resident in the territories to which this Act extends during any previous year unless, during that year, the control and management of its affairs was situated wholly outside the said territories ;

(*c*) a company shall be deemed to be resident in the territories to which this Act extends during the previous year, if—

(*i*) it is a company formed and registered under the Companies Act, 1956 (10 of 1956) or is an existing company within the meaning of that Act ; or

(*ii*) during that year, the control and management of that company was situated wholly in the said territories ;

(*d*) "gifts made in contemplation of death" has the same meaning as in section 191 of the Indian Succession Act, 1925 (39 of 1925).

6. *Value of gifts, how determinrd.*—(1) The value of any property other than cash transferred by way of gift shall, subject to the provisions of sub-sections (2) and (3), be estimated to be the price which in the opinion of the Gift-tax Officer it would fetch if sold in the open market on the date on which the gift was made.

(2) Where a person makes a gift which is not revocable for a specified period the value of the property gifted shall be the capitalized value of the income from the property gifted during the period for which the gift is not revocable.

(3) Where the value of any property cannot be estimated under sub-section (1) because it is not saleable in the open market, the value shall be determined in the prescribed manner.

CHAPTER III

GIFT-TAX AUTHORITIES

7. *Gift-tax Officers.*—Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any person shall perform the function of a Gift-tax Officer under this Act in respect of that person.

Explanation.—For the purposes of this section, the Income-tax Officer having jurisdiction in relation to a person who has no income assessable to income-tax

under the Income-tax Act, means the Income-tax Officer of the area in which that person resides.

8. *Appellate Assistant Commissioners of Gift-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Gift-tax, and on being so empowered the Appellate Assistant Commissioners shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissiners the same areas or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Board may make for the distribution and allocation of the work to be performed.

9. *Commissioners of Gift-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Gift-tax, and on being so empowered the Commissioners of Gift-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Commissioners the same area, or the same persons or the same classes of persons they shall have concurrent jurisdiction subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed.

10. *Inspecting Assistant Commissioners of Gift-tax.*—The Commissioner of Gift-tax may empower as many persons as he thinks fit to exercise under this Act functions of an Insepcting Assistant Commissioner of Gift-tax, and on being so empowered the Inspecting Assistant Commissioners of Gift-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Commissioners may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners the same area or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Commissioner may make for the distribution and allocation of the work to be performed.

11. *Gift-tax Officers to be subordinate to the Commissioner of gift-tax and the Inspecting Assistant Commissioner of Gift-tax.*—The Gift-tax Officers shall be subordinate to the Commissioner of Gift-tax and the Inspecting Assistant Commissioner of Gift tax within whose jurisdiction they perform their functions.

12. *Gift-tax authorities to follow orders, etc. of the Board.*—All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board :

Provided that no orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Gift-tax in the exercise of his appellate functions.

CHAPTER IV

ASSESSMENT

13. *Return of gifts.*—(1) Every person who during a previous year has made any taxable gifts shall, before the thirtieth day of June of the corresponding assessment year, furnish to the Gift-tax Officer a return in the prescribed form and verified in the prescribed manner.

(2) If the Gift-tax Officer is of opinion that in respect of the gifts made by a person during any previous year he is liable to gift-tax under this Act, then not with

standing anything contained in sub-section (1), he may serve a notice upon such person requiring him to furnish within such period, not being less than thirty days, as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner.

(3) The Gift-tax Officer may in his discretion extend the date for the delivery of the return under this section.

Return after due date and amendment of return.—If any person has not furnished a return within the time allowed under section 13, or having furnished a return under that section, discovers any omission or a wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

15. *Assessment.*—(1) If the Gift-tax Officer is satisfied without requiring the presence of the assessee or the production by him of any evidence that a return made under section 13 or section 14 is complete, he shall assess the value of the taxable gifts made by the assessee and determine the amount payable by him as gift-tax.

(2) If the Gift-tax Officer is not so satisfied, he shall serve a notice on the assessee either to attend in person at his office on a date to be specified in the notice or to produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return.

(3) The Gift-tax Officer, after hearing such evidence as the person may produce and such other evidence as he may require on any specified points shall, by order in writing, assess the value of taxable gifts made by the assessee and determine the amount payable by him as gift-tax.

(4) For the purpose of making an assessment under this Act, the Gift-tax Officer may serve on any person who has made a return under sub-section (1) of section 13 or section 14, or upon whom a notice has been served under sub-section (2) of section 13, a notice requiring him to produce or cause to be produced on a date specified in the notice such accounts, records or other documents as the Gift-tax Officer may require.

(5) If any person fails to make a return in response to any notice under sub-section (2) of section 13 or fails to comply with the terms of any notice issued under sub-section (2) or sub-section (4), the Gift-tax Officer shall estimate the value of taxable gifts to the best of his judgement and detrmine the amount payable by the person as gift-tax.

16. *Gift escaping assessment.*—(1) If the Gift-tax Officer—

(*a*) has reason to believe that by reason of omission or failure on the part of an assessee to make a return under section 13 for any assessment year or to disclose fully and truly all materials facts necessary for his assessment for that year, any taxable gift has escaped assessment for that year, whether by reason of under-assessment or assessment at too low a rate or otherwise ; or

(*b*) has, in consequence of any information in his possession, reason to believe notwithstanding that there has been no such omission or failure as is referred to in clause (*a*), that any taxable gift has escaped assessment for any year, whether by reason of under-assessment or assessment at too low a rate or otherwise ;

he may, in cases falling under clause (*a*) at any time within eight years and in cases falling under clause (*b*) at any time within four years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which

may be included in a notice under sub-section (2) of section 13, and may proceed to assess or re-assess any taxable gift which has escaped assessment, and the provisions of this Act shall, so far as may be, apply as if the notice had issued under that sub-section.

(2) Nothing contained in this section limiting the time within which any proceedings for assessment or re-assessment may be commenced shall apply to an assessment or reassessment to be made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 22, section 23, section 24, section 26 of section 28.

17. *Penalty for default and concealment:*—(1) If the Gift-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person—

(*a*) has without reasonable cause failed to furnish the return which he is required to furnish under sub-section (1) or sub-section (2) of section 13, or section 16 or has without reasonable cause failed to furnish it within the time allowed and in the manner required ; or

(*b*) has without reasonable cause failed to comply with a notice under sub-section (2) or sub-section (4) of section 15 ; or

(*c*) has concealed the particulars of any gift or deliberately furnished inaccurate particulars thereof ;

he or it may, by order in writing, direct that such person shall pay by way of penalty—

(*i*) in the case referred to in clause (*a*), in addition to the amount of gift-tax payable by him, a sum not exceeding one and a half times the amount of such tax, and

(*ii*) in the case referred to in clause (*b*) or clause (*c*), in addition to the amount of gift-tax payable by him, a sum not exceeding one and a half times the amount of the tax, if any, which would have been avoided if the return made by such person under section 13, section 14, or section 16, as the case may be, had been accepted as correct.

(2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

(3) No prosecution for an offence under this Act shall be instituted in respect of the same facts in relation to which a penalty has been imposed under this section.

(4) The Gift-tax Officer shall not impose any penalty under this section without the previous approval of the Inspecting Assistant Commissioner of Gift-tax.

18. *Rebate on advance payments.*—(1) If a person making a taxable gift of the value of not less than rupees ten thousand pays into the treasury, in the case of a taxable gift made before the 16th day of July, 1958, before the 1st day of August, 1958, and, in the case of any other taxable gift, within fifteen days of his making the gift, an amount calculated in the manner specified in sub-section (2), he shall, at the time of assessment under section 15, be given credit in addition to the amount so paid, for an amount equal to ten per cent. of the amount so paid.

(2) The amount to be paid into the treasury under sub-section (1) shall be—

(*a*) where the value of the gift does not exceed rupees fifty thousand, four per cent. of the value ;

(*b*) where the value of the gift exceeds rupees fifty thousand but does not exceed rupees two hundred thousand, eight per cent. of the value ; and

(*c*) in any other case, fifteen per cent. of the value.

CHAPTER V

LIABILITY TO ASSESSMENT IN SPECIAL CASES

19. *Tax of deceased person payable by legal representative.*—(1) Where a person dies, his executor, administrator, or other legal representative shall be liable to pay out of the estate of the deceased person, to the extent to which the estate is capable of meeting the charge, the gift-tax determined as payable by such person, or any sum which would have been payable by him under this Act if he had not died.

(2) Where a person dies without having furnished a return under section 13, or after having furnished a return which the Gift-tax Officer has reason to believe to be incorrect or incomplete, the Gift-tax Officer may make an assessment of the value of the taxable gifts made by such person and determine the gift-tax payable by him, and for this purpose may, by the issue of the appropriate notice which would have had to be served upon the deceased person if he had survived, require from the executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which might, under the provisions of section 15 have been required from the deceased person.

(3) The provisions of sections 13, 14 and 16 shall apply to an executor, administrator or other legal representative as they apply to any person referred to in that section.

20. *Assessment after partition of a Hindu undivided family.*—(1) Where, at the time of making an assessment, it is brought to the notice of the Gift-tax Officer that a partition has taken place among the members of a Hindu undivided family, and the Gift-tax Officer, after enquiry, is satisfied that the joint family property has been partitioned among the various members or groups of members in definite portions, he shall record an order to that effect and he shall make assessments on the amount of taxable gifts made by the family as such as if no partition had taken place and each member or group of members shall be liable jointly and severally for the tax assessed on the value of the taxable gifts made by the joint family as such.

(2) Where the Gift-tax Officer is not so satisfied, he may, by order, declare that such family shall be deemed for the purposes of this Act to continue to be a Hindu undivided family.

21. *Liability in case of discontinued firm or association of persons.*—(1) Where a firm or association of persons liable to pay gift-tax has been discontinued or dissolved, the Gift-tax Officer shall determine the gift-tax payable by the firm or association of persons as such as if no such discontinuance or dissolution had taken place.

(2) If the Gift-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal in the course of any proceedings under this Act in respect of any such firm or other association of persons as is referred to in sub-section (1) is satisfied that the firm or association is guilty of any of the acts specified in clause (*a*) or clause (*b*) or clause (*c*) of sub-section (1) of section 17, he or it may impose or direct the imposition of a penalty in accordance with the provisions of that section.

(3) Every person who was at the time of such discontinuance or dissolution a partner of the firm or a member of the association, as the case may be, shall be jointly and severally liable for the amount of tax or penalty payable, and all the provisions of Chapter VII, so far as may be, shall apply to any such assessment or imposition of penalty.

CHAPTER VI

APPEALS, REVISIONS AND REFERENCES

22. *Appeal to the Appellate Assistant Commissioner from orders of Gift-tax Officers.*—(1) Any person,—

(a) objecting to the value of his taxable gifts determined under this Act ; or

(b) objecting to the amount of gift-tax determined as payable by him under this Act ; or

(c) denying his liability to be assessed under this Act ; or

(d) objecting to any penalty imposed by the Gift-tax Officer under section 17, or

(e) objecting to any order of the Gift-tax Officer under sub-section (2) of section 20 ; or

(f) objecting to any penalty imposed by the Gift-tax Officer under sub-section (1) of section 46 of the Income-tax Act as applied under section 33 for the purposes of gift-tax ;

may appeal to the Appellate Assistant Commissioner against the assessment of order, as the case may be, in the prsecribed form and verified in the prescribed manner :

Provided that no appeal shall lie under clause (f) unless the tax has been paid before the appeal is filed.

(2) An appeal shall be presented within thirty days of the receipt of the notice of demand relating to the assessment or penalty objected to, or the date on which any order objected to, is communicated to him, but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period.

(3) The Appellate Assistant Commissioner shall fix a day and place for the hearing of the appeal and may from time to time adjourn the hearing.

(4) The Appellate Assistant Commissioner may,—

(a) at the hearing of an appeal allow an appellant to go into any ground of appeal not specified in the grounds of appeal ;

(b) before disposing of an appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Gift-tax Officer.

(5) In disposing of an appeal, the Appellate Assistant Commissioner may pass such order as he thinks fit which may include an order enhancing the amount of gift-tax determined or penalty imposed.

Provided that no order enhancing the amount of gift-tax determined or penalty imposed shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) A copy of every order passed by the Appellate Assistant Commissioner under this section shall be forwarded to the appellant and the Commissioner.

23. *Appeal to the Appellate Tribunal.*—(1) Any assessee objecting to an order passed by the Appellate Assistant Commissioner under section 17 or section 22 or to an order passed by the Commissioner under section 17 may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Commissioner may, if he is not satisfied as to the correctness of any order passed by an Appellate Assistant Commissioner under section 22 direct the Gift-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Commissioner.

(3) The Appellate Tribunal may admit an appeal after the expiry of sixty days referred to in sub-sections (1) and (2) if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of rupees one hundred.

(5) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the amount of gift-tax determined or penalty imposed

Provided that no order enhancing the amount of gift-tax determined or penalty imposed shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) Where the appellant objects to the valuation of any gift, the Appellate Tribunal may, and if the appellant so requires, shall, refer the question of disputed value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent, and the Appellate Tribunal shall, so far as that question is concerned, pass its order under sub-section (5) conformably to the decision of the valuers :

Provided that if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by agreement, or failing agreement, by the Appellate Tribunal, and the decision of that valuer on the question of valuation shall be final.

(7) The costs of any arbitration proceeding under sub-section (6) shall be borne by the Central Government or the assessee, as the case may be, at whose instance the question was referred to the valuers:

Provided that where the assessee has been wholly or partially successful in any reference made at his instance, the extent to which the costs shall be borne by the assessee shall be at the discretion of the Appellate Tribunal.

(8) The valuers may, in disposing of any matter referred to them for arbitration under sub-section (6), hold or cause to be held such inquiry as they think fit, and after giving the appellant and the respondent an opportunity of being heard, pass such orders thereon as they think fit and shall send a copy of such order to the Appellate Tribunal.

(9) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the assessee and the Commissioner.

(10) Save as provided in section 26, any order passed by the Appellate Tribunal on appeal shall be final.

(11) The provisions of sub-sections (5), (7) and (8) of section 5A of the Income-tax Act shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Income-tax Act.

24. *Power of Commissioner revise orders of subordinate authorities.*—(1) The Commissioner may, either on his own motion or on application made by an assessee

in this behalf, call for the record of any proceeding under this Act in which an order has been passed by any authority subordinate to him, and may make such inquiry or cause such inquiry to be made, and, subject to the provisions of this Act, pass such order thereon not being an order prejudicial to the assessee, as the Commissioner thinks fit :

Provided that the Commissioner shall not revise any order under this sub-section in any case—

(*a*) where an appeal against the order lies to the Appellate Assistant Commissioner or to the Appellate Tribunal and the time within which such appeal can be made has not expired or, in the case of the Appellate Tribunal, the assessee has not waived his right of appeal ;

(*b*) where the order is pending in appeal before the Appellate Assistant Commissioner or has been the subject of an appeal to the Appellate Tribunal ;

(*c*) where the application is made by the assessee for such revision unless—

(*i*) the application is accompanied by a fee of rupees twenty-five and

(*ii*) the application is made within one year from the date of the order sought to be revised or within such further period as the Commissioner may think fit to allow on being satisfied that the assessee was prevented by sufficient cause from making the application within that period ; and

(*d*) where the order is sought to be revised by the Commissioner on his own motion, if such order is made more than one year previously.

Explanation.—For the purposes of this sub-section,—

(*a*) the Appellate Assistant Commissioner shall be deemed to be an authority subordinate to the Commissioner, and

(*b*) an order by the Commissioner declining to interfere shall be deemed not to be an order prejudicial to the assessee.

(*2*) Without prejudice to the provisions contained in sub-section (*1*) the Commissioner may call for and examine the record of any proceeding under this Act, and, if he considers that any order passed therein by a Gift-tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving the assessee an opportunity of being heard, and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling it and directing a fresh assessment.

(*3*) No order shall be made under sub-section (*2*) after the expiry of two years from the date of the order sought to be revised.

25. *Appeal to the Appellate Tribunal from orders of enhancement by commissioner.*—(*1*) Any assessee objecting to an order of enhancement made by the Commissioner under section 24 may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.

(*2*) An appeal to the Appellate Tribunal under sub-section (*1*) shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by a fee of rupees one hundred.

(*3*) The provisions of sub-sections (3) and (*5*) to (*10*) inclusive of section 23 shall apply in relation to any appeal under this section as they apply in relation to any appeal under that section.

26. *Reference to High Court.*—(*1*) Within ninety days of the date upon which he is served with an order under section 23 or section 25, the assessee or the Commissioner may present an application in the prescribed form and where the application is by the assessee, accompanied by a fee of rupees one hundred, to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall, if in its opinion, a question of law arises out of such order, state the case for the opinion of the High Court.

(*2*) An application under sub-section (*1*) may be admitted after the expiry of the period of ninety days aforesaid if the Appellate Tribunal is satisfied that there was sufficient cause for not presenting it within the said period.

(*3*) If, on an application made under sub-section (*1*), the Appellate Tribunal,—

(*a*) refuses to state a case on the ground that no question of law arises, or

(*b*) rejects it on the ground that it is time-barred,

the applicant may, within ninety days from the date on which he is served with a notice of refusal or rejection, as the case may be apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case :

Provided that, if in any case where the Appellate Tribunal has been required by an assessee to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the assessee may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw his application, and if he does so, the fee paid by him under sub-section (*1*) shall be refunded to him.

(*4*) The statement to the High Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.

(*5*) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modification therein as it may direct.

(*6*) The High Court, upon hearing any such case, shall decide the question of law raised therein, and in doing so, may, if it thinks fit, alter the form of the question of law and shall deliver judgment thereon containing the grounds on which such decision is founded and shall send a copy of the judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment.

(*7*) Where the amount of any assessment is reduced as a result of any reference to the High Court, the amount, if any, overpaid as gift-tax shall be refunded with such interest as the Commissioner may allow, unless the High Court, on intimation given by the Commissioner within thirty days of the receipt of the result of such reference that he intends to ask for leave to appeal to the Supreme Court, makes an order authorising the Commissioner to postpone payment of such refund until the disposal of the appeal in the Supreme Court.

(*8*) The costs of any reference to the High Court shall be in the discretion of the Court.

(9) Section 5 of the Indian Limitation Act, 1908, 9 of 1908, shall apply to an application to the High Court under this section.

27. *Hearing by High Court.*—When a case has been stated to the High Court under section 26, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opi nion of such Judges or of the majority of such Judges, if any :

Provided that where there is no such majority the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case including those who first heard it.

28. *Appeal to Supreme Court.*—(1) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 26 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(2) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 26.

(3) The High Court may, on application made to it for the execution of any order of the Spreme Court in respect of any costs awarded by it, transmit the order for execution to any Court subordinate to the High Court.

CHAPTER VII

PAYMENT AND RECOVERY OF GIFT-TAX

29. *Gift-tax by whom payable.*—Gift-tax shall be payable by the donor but where in the opinion of the Gift-tax Officer the tax cannot be recovered from the donor, it may be recovered from the donee :

Provided that the amount of the tax which may be recovered from the donee shall not exceed that portion of the Gift-tax which is attributable to the value of the gift made to the donee by the donor as at the date of the gift.

30. *Gift-tax to be charged on property gifted.*—Gift-tax payable in respect of any gift comprising immovable property shall be a first charge on that property but any such charge shall not effect the title of a *bona fide* purchaser for valuable consideration without notice of the charge.

31. *Notice of demand.*—When any tax or penalty is due in consequence of any order passed under this Act, the Gift-tax Officer shall serve upon the assessee or other person liable to pay such tax or penalty a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be payable.

32. *Recovery of tax and penalties.*—(1) Any amount specified as payable in a notice of demand issued under section 31 shall be paid within the time, at the place, and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the date of service of the notice, and any assessee or other person liable to pay the amount failing so to pay shall be deemed to be in default.

(2) Notwithstanding anything contained in this section, where an assessee has presented an appeal under section 22, the Gift-tax Officer may, in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.

33. *Mode of recovery.*—The provisions of sub-sections (*1*), (*1A*), (*2*), (*3*), (*4*), (*5*), (*5A*), (*6*) and (*7*) of section 46 and section 47 of the Income-tax Act shall apply as if the said provisions were provisions of this Act and referred to Gift-tax and sums imposed by way of penalty under this Act instead of to income-tax and sums imposed by way of penalty under that Act, and to Gift-tax Officer and Commissioner of Gift-tax instead of to Income-tax Officer and Commissioner of Income-tax.

CHAPTER VIII

MISCELLANEOUS

34. *Rectification of mistakes.*—At any time within four years from the date of any order passed by him, or it, the Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner and the Appellate Tribunal may, on his, or its, own motion rectify any mistake apparent from the record and shall, within a like period rectify any such mistake which has been brought to the notice of the Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner or the Appellate Tribunal, as the case may be, by an assessee :

Provided that no such rectification shall be made which has the effect of enhancing the amount of Gift-tax determined unless the assessee has been given a reasonable opportunity of being heard in the matter.

35. *Prosecution.*—(*1*) If any person fails without reasonable cause —

(*a*) to furnish in due time any return of gifts under this Act ;

(*b*) to produce, or cause to be produced, on or before the date mentioned in any notice under sub-section (*2*) or sub-section (*4*) of section 15 such accounts, records and documents as are referred to in the notice;

(*c*) to furnish within the time specified any statement or information which such person is bound to furnish to the Gift-tax Officer under section 37;

he shall, on conviction before a magistrate, be punishable with fine which may extend to rupees ten for every day during which the default continues.

(*2*) If a person makes a statement in a verification in any return of gifts furnished under this Act or in a verification mentioned in section 22, 23 or 25 which is false, and which he either knows or believes to be false, or does not believe to be true, he shall on conviction before a magistrate, be punishable with simple imprisonment which may extend to one year, or with fine which may extend to rupees one thousand, or with both.

(*3*) A person shall not be proceeded against for an offence under this section except at the instance of the Commissioner.

(*4*) The Commissioner may either before or after the institution of proceedings compound any such offence.

Explanation.—For the purposes of this section "magistrate" means a presidency magistrate, a magistrate of the first class or a magistrate of the second class specially empowered by the Central Government to try offences under this Act.

36. *Power to take evidence on oath, etc.*—The Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner and the Appellate Tribunal shall, for the purposes of this Act, have the same powers as are vested in a court under the

Code of Civil Procedure, 1908, 5 of 1908, when trying a suit in respect of the following matters namely :—

(*a*) enforcing the attendance of any person and examining him on oath ;

(*b*) requiring the discovery and production of documents ;

(*c*) receiving evidence on affidavit;

(*d*) issuing commissions for the examination of witnesses; and any proceeding before the Gift-tax Officer, the Appellate Assistant Commissioner, the Commissioner or the appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code, 45 of 1860.

37. *Power to call for information.*—Where, for the purposes of determining the gift-tax payable by any person, it appears necessary for the Gift-tax Officer to obtain any statement or information from any person, the Gift-tax Officer may serve a notice requiring such person, on or before a date to be therein specified to furnish such statement or information on the points specified in the notice, and that person shall, notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to the Gift-tax Officer;

Provided that no legal practitioner shall be bound to furnish any statement or information or under this section based on any professional communications made to him otherwise than as permitted by section 126 of the Indian Evidence Act, 1872, 1 of 1872.

38. *Effect of transfer of authorities on pending proceedings.*—Whenever in respect of any proceeding under this Act any Gift-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises such jurisdiction, the authority so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor.

39. *Computation of period of limitation.*—In computing the period of limitation prescribed for an appeal under this Act or for an application under section 26 day on which the order complained of was made and the time requisite for obtaining a copy of such order shall be excluded.

40. *Service of notice.*—(*1*) A notice or a requisition under this Act may be served on the person therein named either by post or as if it were summons issued by a court under the Code of Civil Procedure, 1908, 5 of 1908.

(*2*) Any such notice or requisition may, in the case of a firm or a Hindu undivided family be addressed to any member of the firm or to the manager or any adult male member of the family, and in the case of a company or association of persons be addressed to the principal officer thereof.

41. *Prohibition of disclosure of information.*—(*1*) Subject to the provisions contained in sub-section (*2*) the provisions of section 54 of the Income-tax Act shall apply to all accounts or in relation to statements, documents, evidence or affidavits given, produced or obtained in connection with or in the course of any proceeding under this Act as they apply to or in relation to similar particulars under that Act subject to the modification that the reference to any "Income-tax authority" in clause (*d*) of sub-section (*3*) and to the "Commissioner" in sub-section (*5*) of section 54 of that Act shall be construed as a reference to any "Gift-tax authority" and to the "Commissioner of Gift-tax", respectively.

(*2*) Nothing contained in section 54 of the Income-tax Act shall apply to the disclosure of any such particulars as are referred to in sub-section (*1*) to any person acting in the execution of this Act or the Income-tax Act, or the Estate Duty Act,

1953, 34 of 1953, or the Wealth-tax Act 1957, 27 of 1957, or the Expenditure-tax Act 1957, 29 of 1957, where it is necessary or desirable to disclose the same to him for the purpose of this Act or any of the other Acts aforesaid.

42. *Bar of suits in civil courts.*—No suit shall lie in any civil court to set aside or modify any assessment made under this Act, and no prosecution, suit or other legal proceeding shall lie against any officer of the Government for anything in good faith done or intended to be done under this Act.

43. *Appearance before Gift-tax authorities by authorised representatives.*—Any assessee who is entitled to or required to attend before any Gift-tax authority or the Appellate Tribunal in connection with any proceeding or inquiry under this Act, except where he is required under this Act, to attend in person, may attend to a person authorised by him in writing in this behalf, being a relative of, or a person regularly employed by, the assessee or a legal practitioner or a chartered accountant or any other person having such qualifications as may be prescribed.

Explanation.—For the purposes of this section,—

(*a*) the expression "a person regularly employed by the assessee" includes any officer of a scheduled bank with which the assessee maintains a current account or has other regular dealings ;

(*b*) "chartered accountant" means a chartered accountant as defined in the Chartered Accountants Act, 1949, 38 of 1949.

44. *Agreement for avoidance or relief of double taxation with respect to gift-tax.*—The Central Government may enter into any agreement with the Government of any reciprocating country for the avoidance or relief of double taxation with respect to gift-tax payable under this Act and under the corresponding law in force in the reciprocating country and may, by notification in the Official Gazette make such provision as may be necessary for implementing the agreement.

Explanation.—The expression "reciprocating country" for the purposes of this Act means any country which the Central Government may, by notification in the Official Gazette, declare to be a reciprocating country.

45. *Act not to apply in certain cases.*—The provisions of this Act shall not apply to gifts made by—

(*a*) a Government company as defined in section 617 of the Companies Act, 1956, 1 of 1956.

(*b*) a corporation established by a Central, State or Provincial Act ;

(*c*) any company (other than a private company) as defined in section 3 of the Companies Act, 1956.

Provided that the affairs of the company or the shares in the company carrying more than fifty per cent. of the total voting power were at no time during the previous year controlled or held by less than six persons ;

(*d*) a company which is a subsidiary of and in which more than half the nominal value of equity share capital is held by a company referred to in clause (*c*) ;

(*e*) any institution or fund the income whereof is exempt from income-tax under clause (*i*) of sub-section (*3*) of section 4 of the Income-tax Act

Explanation.—For the purpose of computing the number of six persons referred to in the proviso to clause (*c*), persons who are related to one another as husband

and wife, brother and sister, brothers, sisters, or who are lineal descendants or ascendants of one another and persons who are nominees of any other person together with that other person shall be treated as a single person.

46. *Power to make rules.*—(*1*) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for—

(*a*) the manner in which the value of any property may be determined ;

(*b*) the form in which returns under this Act shall be made and the manner in which they shall be verified ;

(*c*) the form in which appeals and applications under this Act may be made, and the manner in which they shall be verified ;

(*d*) the form of any notice of demand under this Act;

(*e*) the refunds of gift-tax paid in respect of gifts which are revoked on the happening of any specified event which does not depend on the will of the donor or of any amount paid under section 18 ;

(*f*) the areas for which lists of valuers may be drawn up ;

(*g*) any other matter which has to be, or may be, prescribed for the purposes of this Act.

(*3*) The power to make rules conferred by this section shall on the first occasion of the exercise thereof include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of commencement of this Act.

(*4*) All rules made under this Act shall be laid before each House of Parliament as soon as may be after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the sessions immediately following.

THE SCHEDULE

(*See section* 3)

RATES OF GIFT-TAX

		Rate of Gift-tax
(1)	On the first Rs. 50,000 of the value of all taxable gifts	4%
(2)	On the next Rs. 50,000 of the value of all taxable gifts	6%
(3)	On the next Rs. 50,000 of the value of all taxable gifts	8%
(4)	On the next Rs. 50,000 of the value of all taxable gifts	10%
(5)	On the next Rs. 1,00,000 of the value of all taxable gifts	12%
(6)	On the next Rs. 2,00,000 of the value of all taxable gifts	15%
(7)	On the next Rs. 5,00,000 of the value of all taxable gifts	20%
(8)	On the next Rs. 10,00,000 of the value of all taxable gifts	25%
(9)	On the next Rs. 10,00,000 of the value of all taxable gifts	30%
(10)	On the next Rs. 20,00,000 of the value of all taxable gifts	35%
(11)	On the balance of the value of all taxable gifts	40%

G. R. RAJAGOPAUL,
Addl. Secy. to the Govt. of India.

MINISTRY OF LAW

(Legislative Department)

New Delhi, the 19th September 1958/*Bhadra,* 28, 1880 (*Saka*)

The following Act of Parliament received the assent of the President on the 19th September, 1958, and is hereby published for general information:—

THE ESTATE DUTY (AMENDMENT) ACT, 1958

No. 33 OF 1958

[*19th September,* 1958]

An Act further to amend the Estate Duty Act, 1953.

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(*1*) This Act may be called the Estate Duty (Amendment) Act, 1958.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Amendment of section* 2.—In section 2 of the Estate Duty Act, 1953 (34 of 1953) (hereinafter referred to as the principal Act),—

(*a*) after clause (*1*), the following clauses shall be inserted, namely:—

'(*1A*) "Appellate Controller" means a person appointed to be an Appellate Controller of Estate Duty under section 4;

(*1B*) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Indian Income-tax Act, 1922 (11 of 1922);';

(*b*) after clause (*12*), the following clause shall be inserted, namely:—

'(*12A*) "person accountable" or "accountable person" means the person accountable for estate duty within the meaning of this Act, and includes every person in respect of whom any proceeding under this Act has been taken for the assessment of the principal value of the estate of the deceased;';

(*c*) after clause (*14*), the following clause shall be inserted, namely:—

'(*14A*) "principal officer", in relation to a company or a corporation established by a Central, State or Provincial Act, means the manager, managing director, managing agent or secretary, and includes any person connected with the management of the company, or corporation upon whom the Controller has served a notice of his intention of treating him as the principal officer for the purposes of this Act;'.

3. *Amendment of section* 4.—In section 4 of the principal Act,—

(*a*) in sub-section (*1*), after clause (*b*), the following clause shall be inserted, namely:—

"(*bb*) Appellate Controllers of Estate Duty,";

(*b*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) The Central Government may appoint as many Appellate Controllers of Estate Duty as it thinks fit and they shall, subject to the control of the Board, perform their functions in respect of such estates or classes of estates or such areas as the Board may direct, and where such directions have assigned to two or more Appellate Controllers the same estate or classes of estates or the same area, they shall perform their functions in accordance with any orders which the Board may make for the distribution and allocation of the work to be performed.";

(*c*) to sub-section (*5*), the following proviso shall be added, namely:—

"Provided that no such orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Controller of Estate Duty in the exercise of his appellate functions.".

4. *Amendment of section* 9.—In section 9 of the principal Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) The provisions of sub-section (*1*) shall not apply to—

(*a*) gifts made in consideration of marriage, subject to a maximum of rupees ten thousand in value;

(*b*) gifts which are proved to the satisfaction of the Controller to have been part of the normal expenditure of the deceased, subject to a maximum of rupees ten thousand in value.".

5. *Amendment of section* 16.—In section 16 of the principal Act, in clause (*a*) of sub-section (*2*), for the words "otherwise than for full consideration", the words "notwithstanding that the disposition was made for full consideration" shall be substituted.

6. *Amendment of section* 17.—In section 17 of the principal Act, in clause (*vi*) of sub-section (*4*), for the word "even", the word "event" shall be substituted.

7. *Amendment of section* 18.—In section 18 of the principal Act, the *Explanation* shall be omitted.

8. *Amendment of section* 19.—In section 19 of the principal Act,—

(*a*) in sub-section (*2*), for the words "outside the territories to which this Act extends", the words "outside India" shall be substituted;

(*b*) in sub-section (*4*), for the words and figures "section 230 of the Indian Companies Act, 1913 (VII of 1913)" and "section 129 of the Indian Companies Act, 1913,", the following words and figures shall respectively be substituted, namely:—

"section 530 of the Companies Act, 1956 (1 of 1956)" and "section 123 of the Companies Act, 1956 (1 of 1956),"

9. *Insertion of new section 20A.*—In Part II, after section 20 of the principal Act, the following section shall be inserted, namely:—

"*20A. Duty and liability of companies incorporated outside India in certain cases.*—Where a company incorporated outside India which carries on business in India has been treated for the purposes of the Indian Income-tax Act, 1922 (11 of 1922), as resident for two out of the three completed assessments for the years immediately preceding the date of death of any member of or debenture holder in the company, the company shall, within three months of the receipt of intimation of the death of the member or debenture holder, as the case may be, furnish to the Controller such particulars as

may be prescribed in respect of the interest of the deceased in the company, and the company shall be accountable for the estate duty which shall be levied at the rates mentioned in Part II of the Second Schedule on the principal value of the shares or debentures held by the deceased in the company except in cases where the deceased was a person domiciled in India and the person accountable under any of the other provisions of this Act has obtained a certificate from the Controller showing that either the estate duty in respect thereof has been paid or will be paid or that none is due, as the case may be.".

10. *Amendment of section* 21.—In section 21 of the principal Act, in sub-section (*1*), for the words "outside the territories to which this Act extends" and "the said territories", wherever they occur, the words "outside India" and "India" shall respectively be substituted.

11. *Amendment of section* 27.—In section 27 of the principal Act, for the word and figure "section 9" in both the places where they occur, the words "this Act" shall be substituted.

12. *Amendment of section* 33.—In section 33 of the principal Act, in sub-section (*1*),—

(*a*) in clause (*a*), for the words "under a gift", the words "under one or more gifts" shall be substituted;

(*b*) in clause (*b*), for the words "under a gift", the words "under one or more gifts" shall be substituted;

(*c*) in clause (*k*), for the words "rupees five thousand", the words "rupees ten thousand" shall be substituted;

(*d*) after clause (*k*), the following clauses shall be inserted, namely:—

"(*l*) any one building in the occupation of a Ruler declared by the Central Government as his official residence under Paragraph 13 of the Merged States (Taxation Concessions) Order, 1949, or Paragraph 15 of the Part B States (Taxation Concessions) Order, 1950;

(*m*) property belonging to the deceased who was a member of the armed forces of the Union and who was killed in action during operations against an enemy.".

13. *Substitution of new section 34.*—For section 34 of the principal Act, the following section shall be substituted, namely:—

"*34. Aggregation.*—(*1*) For the purpose of determining the rate of the estate duty to be paid on any property passing on the death of the deceased,—

(a) all property so passing other than property exempted from estate duty under clauses (*c*), (*d*), (*e*), (*i*), (*j*), (*l*) and (*m*) of sub-section (*1*) of section 33;

(*b*) agricultural land so passing, if any, situate in any State not specified in the First Schedule; and

(*c*) in the case of property so passing which consists of a coparcenary interest in the joint family property of a Hindu family governed by the *Mitakshara*, *Marumakkattayam* or *Aliyasantana* law, also the interests in the joint family property of all the lineal descendants of the deceased member;

shall be aggregated so as to form one estate and estate duty shall be levied thereon at the rate or rates applicable in respect of the principal value thereof.

(*2*) Where any such estate as is referred to in sub-section (*1*) includes any property exempt from estate duty, the estate duty leviable on the property not so exempt shall be an amount bearing to the total amount of duty which would have been payable on the whole estate had no part of it been so exempt, the same proportion as the value of the property not so exempt bears to the value of the whole estate.

Explanation.—For the purposes of this sub-section, "property exempt from estate duty" means—

(*i*) any property which is exempt from estate duty under section 33;

(*ii*) any agricultural land situate in any State not specified in the First Schedule;

(*iii*) the interests of all coparceners other than the deceased in the joint family property of a Hindu family governed by the *Mitakshara, Marumakkattayam* or *Aliyasantana* law.

(*3*) Notwithstanding anything contained in sub-section (*1*) or sub-section (*2*), any property passing in which the deceased never had an interest, not being a right or debt or benefit that is treated as property by virtue of the *Explanations* to clause (*15*) of section 2, shall not be aggregated with any property, but shall be an estate by itself, and the estate duty shall be levied at the rate or rates applicable in respect of the principal value thereof.

(*4*) Every estate shall include all income accrued upon the property included therein down to and outstanding at the date of the death of the deceased.

(*5*) For the purposes of this section, no property shall be aggregated more than once nor shall estate duty in respect thereof be levied more than once on the same death.

14. *Amendment of section 35.*—In section 35 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The rates of estate duty shall be as mentioned in the Second Schedule.";

(*b*) sub-section (*2*) shall be omitted.

15. *Amendment of section 46.*—In section 46 of the principal Act, in sub-section (*2*), for the figures "25", the figures "26" shall be substituted.

16. *Amendment of section* 47.—In section 47 of the principal Act, for the words "out of the territories to which this Act extends" and the words "the said territories" wherever they occur, the words "out of India" and "India" shall respectively be substituted.

17. *Amendment of section* 48.—In section 48 of the principal Act, for the words "out of the teeritories to which this Act extends", the words "out of India" shall be substituted.

18. *Amendment of section* 50.—In section 50 of the principal Act, for the words "an amount which is equal to", the words "an amount which is equal to one-half of" shall be substituted.

19. *Insertion of new section 50A.*—In Part VI, after section 50 of the principal Act, the following section shall be inserted, namely:—

"*50A. Relief from estate duty where gift-tax has been paid.*—Where tax has been paid under the Gift-tax Act, 1958 (18 of 1958), in respect of a gift of any property and the property is also included in the estate of the donor as property passing under this Act, then, notwithstanding anything contained in this Act, the estate duty payable under this Act shall be reduced by an amount equal to the amount of gift-tax paid in respect of any such property under that Act.".

20. *Amendment of section 53.*—In section 53 of the principal Act, for sub-section (*3*), the following sub-section shall be substituted, namely:—

"(*3*) Every person accountable for estate duty under this section shall, within six months of the death of the deceased, deliver

to the Controller an account in the prescribed form and verified in the prescribed manner of all the properties in respect of which estate duty is payable:

Provided that the Controller may extend the period of six months aforesaid on such terms which may include payment of interest as may be prescribed.".

21. *Substitution of new sections for sections 56 to 65.*—For sections 56, 57, 58, 59, 60, 61, 62, 63, 64 and 65 of the principal Act, the following ctions shall be substituted, namely:—

"56. *Grant of representation, etc., not to be made unless particulars are furnished to the Controller.*—(*1*) In all cases in which a grant of representation is applied for—

(*a*) the executor of the deceased shall, to the best of his knowledge and belief, specify in an appropriate account annexed to the affidavit of valuation filed in court under section 19-I of the Court-fees Act, 1870 (7 of 1870), all the property in respect of which estate duty is payable upon the death of the deceased and shall deliver a copy of the affidavit with the account to the Controller, and

(*b*) no order entitling the applicant to the grant of representation shall be made upon his application until he has delivered the account prescribed in clause (*a*) and has produced a certificate from the Controller under sub-section (2) of section 57 or section 67 that the estate duty payable in respect of the property included in the account has been or will be paid, or that none is due, as the case may be.

(*2*) In all cases in which a grant of succession certificate is applied for, a copy of the application shall be furnished by the applicant to the Controller and no order entitling the applicant to the grant of such a certificate shall be made upon his application until he has produced a certificate from the Controller under sub-section (*2*) of section 57 or section 67 that the estate duty payable in respect of the property mentioned in the application has been or will be paid, or that none is due, as the case may be.

57. *Power to make provisional assessment in advance of regular assessment.*—(*1*) Estate Duty shall be due from the date of the death of the deceased, and the Controller may, at any time after the receipt of account delivered under section 53 or section 56, proceed to make in a summary manner a provisional assessment of the estate duty payable by the person delivering the account on the basis of the account so delivered.

(2) Upon a provisional assessment being made under sub-section (1) the person so assessed shall pay to the Controller, or furnish security to the satisfaction of the Controller for the payment of, the estate duty, if any, payable on the provisional assessment, and the Controller shall thereupon grant him a certificate that such duty has been or will be paid or that none is due, as the case may be, in respect of the property mentioned in the certificate.

(3) After regular assessment has been made under section 58 any amount paid towards the provisional assessment made under sub-sectio (1) shall be deemed to have been paid towards the regular assessme

(4) No appeal shall lie against a provisional assessment made und sub-section (1), but nothing done or suffered by reason or in consequence of any such provisional assessment shall prejudice the determination on the merits of any issue which may arise in the course of the regular assessment under section 58.

58. *Assessment.*—(1) If the Controller is satisfied without requiring the presence of the person accountable that an account delivered under section 53 or section 56 is correct and complete, he shall assess the principal value of the estate of the deceased, and shall determine the amount payable as estate duty.

(2) If the Controller is not so satisfied, he shall serve a notice on the person accountable, either to attend in person at his office on a date to be specified in the notice, or to produce, or cause to be produced on that date, any evidence on which the person accountable may rely in support of his account.

(3) The Controller, after hearing such evidence as the person accountable may produce and such other evidence as he may require on any specified points, shall, by order in writing, assess the principal value of the estate of the deceased and determine the amount payable as estate duty.

(4) In any case where no account has been delivered as required by section 53 or section 56, or the person accountable fails to comply with the terms of the notice served under sub-section (2), the Controller shall make the assessment to the best of his judgment and determine the amount payable as estate duty.

59. *Property escaping assessment.*—If the Controller,—

(a) has reason to believe that by reason of the omission or failure on the part of the person accountable to submit an account of the estate of the deceased under section 53 or section 56 or to disclose fully and truly all material facts necessary for assessment, any property chargeable to estate duty has

escaped assessment by reason of under-valuation of the property included in the account or of omission to include therein any property which ought to have been included or of assessment at too low a rate or otherwise, or

(*b*) has, in consequence of any information in his possession, reason to believe notwithstanding that there has not been such omission or failure as is referred to in clause (*a*) that any property chargeable to estate duty has escaped assessment, whether by reason of under-valuation of the property included in the account or of omission to include therein any property which ought to have been included, or of assessment at too low a rate or otherwise,

he may at any time, subject to the provisions of section 73A, require the person accountable to submit an account as required under section 53 and may proceed to assess or re-assess such property as if the provisions of section 58 applied thereto.

60. *Penalty for default or concealment.*—(*1*) If the Controller, the Appellate Controller or the Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person—

(*a*) has without reasonable cause failed to deliver the account of the property of the deceased under section 53 or section 56 or to comply with any requisition of the Controller under section 55 or section 59 or has without reasonable cause failed to deliver or submit any of the accounts or statements required under any of the sections aforesaid within the time allowed and in the manner required; or

(*b*) has without reasonable cause failed to comply with a notice under sub-section (*2*) of section 58; or

(*c*) has concealed the particulars of the property of the deceased or deliberately furnished inaccurate particulars thereof; or

(*d*) being a company referred to in section 20A, fails without reasonable cause, to pay the amount of estate duty due from the company under that section within the time specified in this behalf;

he or it may, by order in writing, direct that—

such person shall pay by way of penalty—

(*i*) in the case referred to in clause (*a*) or clause (*d*), in addition to the amount of the estate duty payable by him, a sum not exceeding twice the amount of such duty; and

(*ii*) in the case referred to in clause (*b*) or clause (*c*), in addition to the amount of estate duty payable by him, a sum not exceeding twice the amount of the estate duty, if any, which would have been avoided if the principal value shown in the account of such person had been accepted as correct.

(*2*) No order shall be made under sub-section (*1*) unless the person concerned has been given a reasonable opportunity of being heard.

61. *Rectification of mistakes.*—At any time within five years from the date of any order passed by him or it, the Controller, the Appellate Controller or the Appellate Tribunal may, on his or its own motion rectify any mistake apparent from the record and shall, within a like period rectify any such mistake which has been brought to the notice of the Controller, the Appellate Controller or the Appellate Tribunal, as the case may be, by the person accountable:

Provided that no such rectification shall be made which has the effect of enhancing the estate duty payable unless the person accountable has been given a reasonable opportunity of being heard in the matter.

62. *Appeal against orders of Controller.*—(*1*) Any person—

(*a*) objecting—

(*i*) to any valuation made by the Controller, or

(*ii*) to any order made by the Controller determining the estate duty payable under section 58 or section 59, or

(*iii*) to any penalty levied by the Controller under section 60 section 72 or section 84, or

(*iv*) to any penalty imposed by the Controller under sub-section (*1*) of section 46 of the Indian Income-tax Act, 1922 (11 of 1922), as applied under sub-section (5) of section 73 for the purposes of estate duty, or

(*b*) denying his liability to the amount of estate duty payable in respect of any property,

may, within thirty days of the date of the receipt of the notice of demand under section 73, appeal to the Appellate Controller in the prescribed form which shall be verified in the prescribed manner:

Provided that no appeal shall lie under sub-clause (*iv*) of clause (*a*) unless the duty has been paid before the appeal is filed.

(*2*) The Appellate Controller may admit an appeal after the expiry of the thirty days referred to in sub-section (*1*) if he is satisfied that there was sufficient cause for not presenting it within that period.

(3) The Appellate Controller shall fix a day and place for the hearing of the appeal and may from time to time adjourn the hearing.

(4) The Appellate Controller may—

(a) at the hearing of an appeal, allow an appellant to go into any ground of appeal not specified in the grounds of appeal;

(b) before disposing of an appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Controller.

(5) In disposing of an appeal, the Appellate Controller may pass such order as he thinks fit which may include an order enhancing the estate duty or penalty:

Provided that no order enhancing the estate duty payable or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) The Appellate Controller shall, on the conclusion of the appeal, communicate the order passed by him to the appellant and to the Controller.

63. *Appeal to the Appellate Tribunal from the order of the Appellate Controller.*—(1) Any person accountable objecting to any order passed by an Appellate Controller under section 62, may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Controller may, if he is not satisfied as to the correctness of any order passed by the Appellate Controller under section 62, appeal to the Appellate Tribunal against such order and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Controller.

(3) The Tribunal may admit an appeal after the expiry of the sixty days referred to in sub-sections (1) and (2) if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, except in the case of an appeal under sub section (2), be accompanied by a fee of rupees one hundred.

(5) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the estate duty payable or penalty:

Provided that no order enhancing the estate duty payable or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(*6*) Where the appellant objects to the valuation of any property, the Appellate Tribunal may, and if the appellant so requires, shall, refer the question of disputed value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent, and the Tribunal shall, so far as that question is concerned, pass its orders under sub-section (*5*) conformably to the decision of the valuers:

Provided that if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by agreement or failing agreement, by the Appellate Tribunal, and the decision of that valuer on the question of valuation shall be final.

(*7*) The costs of any arbitration proceeding under sub-section (*6*) shall be borne by the Central Government or the person accountable, as the case may be, at whose instance the question was referred to the valuers:

Provided that where the person accountable has been wholly or partially successful in any reference made at his instance, the extent to which the costs shall be borne by him shall be at the discretion of the Appellate Tribunal.

(*8*) The valuers may, in disposing of any matter referred to them for arbitration under sub-section (*6*), hold or cause to be held such inquiry as they think fit, and after giving the appellant and the respondent an opportunity of being heard, pass such orders thereon as they think fit and shall send a copy of such orders to the Appellate Tribunal.

(*9*) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the person accountable and to the Controller.

(*10*) Save as provided in section 64 any order passed by the Appellate Tribunal on appeal shall be final.

(*11*) The provisions of sub-sections (*5*), (*7*) and (*8*) of section 5A of the Indian Income-tax Act, 1922 (11 of 1922), shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under that Act.

64. *Reference to the High Court.*—(*1*) Within ninety days of the date upon which he is served with an order under section 63, the person accountable or the Controller may present an application in the prescribed form and, where the application is by the person accountable,

accompanied by a fee of one hundred rupees to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall, if in its opinion a question of law arises out of such order, state the case for the opinion of the High Court.

(*2*) An application under sub-section (*1*) may be admitted after the expiry of the period of ninety days aforesaid if the Appellate Tribunal is satisfied that there was sufficient cause for not presenting it within the said period.

(*3*) If, on an application made under sub-section (*1*), the Appellate Tribunal,—

(*a*) refuses to state a case on the ground that no question of law arises; or

(*b*) rejects it on the ground that it is time-barred;

the applicant may, within three months from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case:

Provided that, if in any case where the Appellate Tribunal has been required by a person accountable to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the person accountable may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw the application, and if he does so, the fee paid by him under sub-section (*1*) shall be refunded to him.

(*4*) The statement to the High Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.

(*5*) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modifications therein as it may direct.

(*6*) The High Court, upon hearing any such case, shall decide the question of law raised thereby, and in doing so, may, if it thinks fit, alter the form of the question of law and shall deliver judgment thereon containing the ground on which such decision is founded and shall send

a copy of the judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment.

(7) Where the amount of any assessment is reduced as a result of any reference to the High Court, the amount, if any, over-paid as estate duty shall be refunded with such interest as the Controller may allow unless the High Court, on intimation being given by the Controller within thirty days of the receipt of the result of such reference that he intends to ask for leave to appeal to the Supreme Court, makes an order authorising the Controller to postpone payment of such refund until the disposal of the appeal in the Supreme Court.

(8) The costs of any reference to the High Court shall be in the discretion of the High Court.

(9) Section 5 of the Indian Limitation Act, 1908 (9 of 1908), shall apply to an application to the High Court under this section.

(10) When a case has been stated to the High Court under this section, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority (if any) of such Judges:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ, and the case shall then be heard upon that point only by one or more of the other Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

65. *Appeal to the Supreme Court.*—(1) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 64 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(2) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 64.

(3) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it, transmit the order for execution to any court subordinate to the High Court.".

22. *Substitution of new section for section* 67.—For section 67 of the principal Act, the following section shall be substituted, namely:—

"67. *Certificate of payment of estate duty.*—Where the amount of estate duty determined by the Controller as payable on an assessment made under section 58 has been paid by the person accountable, the Controller shall, on application by that person, grant to him a certificate to that effect.".

23. *Amendment of section* 70.—In section 70 of the principal Act, in sub-section (*2*), for the words "eight" and "sixteen", the words "four" and "eight" shall respectively be substituted.

24. *Amendment of section* 72.—In section 72 of the principal Act, for the words and figures "shall be liable to the penalty mentioned in section 56", the following shall be substituted, namely:—

"shall be liable to pay by way of penalty a sum not exceeding rupees one thousand: provided that no penalty shall be imposed under this section unless the person concerned has been given a reasonable opportunity of being heard."

25. *Substitution of new sections for section* 73.—For section 73 of the principal Act, the following sections shall be substituted, namely:—

"73. *Notice of demand and recovery of duty, penalty, etc.*—(*1*) When any estate duty, penalty or interest is due in consequence of any order passed under this Act, the Controller shall serve upon the person accountable or other person liable to pay such duty, penalty or interest a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be payable.

(*2*) Any amount specified as payable in a notice of demand issued under sub-section (*1*) shall be paid within the time, at the place and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the date of service of the notice and any person accountable failing so to pay shall be deemed to be in default.

(*3*) Where a person accountable has been assessed in respect of assets located in a country outside India, the laws of which prohibit or restrict the remittance of money to India, the Controller shall not treat the person accountable as in default in respect of that part of the estate duty which is attributable to the assets in that country, and shall continue to treat the person accountable as not in default in respect of that part of the duty until the prohibition or restriction of remittance is removed.

(4) Notwithstanding anything contained in this section, where the person accountable has presented an appeal under section 62 the Controller may in his discretion treat the person accountable as not being in default as long as such appeal has not been disposed of.

(5) The provisions of sub-sections (*1*), (*1A*), (*2*), (*3*), (*4*), (*5*), (*5A*), (*6*) and (*7*) of section 46 and section 47 of the Indian Income-tax Act, 1922 (11 of 1922), shall apply as if the said provisions were provisions of this Act and referred to estate duty (including estate duty provisionally assessed) and sums imposed by way of penalty or interest under this Act instead of to income-tax and sums imposed by way of penalty or interest under that Act and to Controller of Estate Duty instead of to Income-tax Officer.

73A. *Limitation for commencing proceedings for assessment or re-assessment.*—No proceedings for the levy of any estate duty under this Act shall be commenced—

(*a*) in the case of a first assessment, after the expiration of five years from the date of death of the deceased in respect of whose property estate duty became payable; and

(*b*) in the case of a re-assessment, after the expiration of three years from the date of assessment of such property to estate duty under this Act.".

26. *Amendment of section* 83.—In section 83 of the principal Act,—

(*a*) after the words "legal practitioner or a chartered accountant", the words "or any other person having such qualifications as may be prescribed" shall be inserted; and

(*b*) for clause (*b*) of the *Explanation,* the following clause shall be substituted, namely:—

'(*b*) "legal practitioner" means an advocate, vakil or attorney of any High Court, and includes a pleader in practice.'.

27. *Substitution of new section for section* 84.—For section 84 of the principal Act, the following section shall be substituted, namely:—

"84. *Companies to furnish particulars of deceased persons to the Controller.*—(*1*) Where a company within the meaning of the Companies Act, 1956 (1 of 1956), has knowledge through any of its principal officers of the death of any member of or debenture-holder in the company, it shall within three

months of receipt of intimation of the death, furnish to the Controller such particulars as may be prescribed in respect of the interest of the deceased in the company; and it shall not be lawful for the company to register the transfer of any shares or debentures standing in the name of the deceased unless the transferee has acquired such shares or debentures for valuable consideration or a certificate from the Controller is produced before the company to the effect that the estate duty in respect of such shares or debentures has been paid or will be paid or that none is due, as the case may be.

(2) Where a corporation established by a Central, State or Provincial Act has knowledge through any of its principal officers of the death of any person who is a registered holder of stocks, shares or other securities in the corporation, it shall, within three months of the receipt of intimation of the death furnish to the Controller such particulars as may be prescribed in respect of the interest of the deceased in the corporation.

(3) Any company or corporation which without reasonable cause fails to comply with the provisions of this section shall be liable to pay a penalty of rupees one thousand.".

28. *Amendment of the Second Schedule.*—In the principal Act, for the Second Schedule, the following Schedule shall be substituted, namely:—

"THE SECOND SCHEDULE

(*See* sections 5, 20A and 35)

RATES OF ESTATE DUTY

PART I

In the case of any property which passes or is deemed to pass on the death of the deceased—

	Rate of Duty
(1) On the first Rs. 50,000 of the principal value of the estate ..	*Nil*
(2) On the next Rs. 50,000 of the principal value of the estate ..	4 per cent.

	Rate of Duty
(3) On the next Rs. 50,000 of the principal value of the estate ..	6 per cent.
(4) On the next Rs. 50,000 of the principal value of the estate ..	10 per cent.
(5) On the next Rs. 1,00,000 of the principal value of the estate ..	12 per cent.
(6) On the next Rs. 2,00,000 of the principal value of the estate ..	15 per cent.
(7) On the next Rs. 5,00,000 of the principal value of the estate ..	20 per cent.
(8) On the next Rs. 10,00,000 of the principal value of the estate ..	25 per cent.
(9) On the next Rs. 10,00,000 of the principal value of the estate ..	30 per cent.
(10) On the next Rs. 20,00,000 of the principal value of the estate ..	35 per cent.
(11) On the balance of the principal value of the estate ..	40 per cent.

PART II

In the case of shares or debentures held by the deceased in any such company as referred to in section 20A—

	Rate of Duty
(1) If the principal value of the shares or debentures does not exceed Rs. 5,000 ..	*Nil*
(2) If the principal value of the share or debentures exceeds Rs. 5,000 ..	7½ per cent.".

29. *Savings.*—Nothing contained in section 21 shall affect—

(*a*) any appeal pending before the Board in respect of any order made by the Controller before the commencement of this Act; or

(*b*) any right or remedy by way of appeal which has accrued to any person in respect of any order made by the Controller before such commencement;

and any such appeal may be disposed of and further proceedings taken in relation thereto and any such right or remedy may be enforced as if this Act had not been passed.

30. *Act not to apply to agricultural land.*—For the removal of doubts it is hereby declared that nothing contained in this Act shall have effect in respect of any matter enumerated in entry 48 of List II in the Seventh Schedule to the Constitution, and estate duty in respect of any estate which consists wholly or in part of agricultural land situate in the territories which immediately before the 1st day of November, 1956, were comprised in the States specified in the First Schedule to the principal Act shall continue to be governed by the principal Act as if this Act had not been passed.

G. R. RAJAGOPAUL,
Secy. to the Govt. of India.

Resolution Publishing the Final Budget Statement

MINISTRY OF FINANCE

(Department of Economic Affairs)

RESOLUTION

New Delhi, the 22nd July 1958

No. F2(61)-B/58.—The annual Financial Statement for 1958-59 as presented to the Parliament on the 28th February, 1958 is now published in its final form for general information.

2. As a result of the modifications in the Gift-Tax Bill accepted by the Parliament, the revenue will be reduced by Rs. 1,00,00,000.

3. The Demands for Grants for the year 1958-59 were voted without modification.

4. The deficit on revenue account will thus stand at Rs. 28,01,67,000.

GOVERNMENT OF INDIA

BUDGET

OF THE

CENTRAL GOVERNMENT

FOR

1958-59

(As finally adopted)

MINISTRY OF FINANCE;
New Delhi, the 22nd July 1958.

M. V. RANGACHARI,
Special Secretary.

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202 M. of Fin.—23

I.—GENERAL STATEMENT OF THE REVENUE AND EXPENDI-

[In thousands of Rupees]

	For details, *vide* Statement	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA					
REVENUE—					
Principal Heads of Revenue—					
Customs . . .	A	1,73,23,05	1,67,60,00	1,83,00,00	1,70,00,00
Union Excise Duties	,,	1,90,43,05	2,55,37,00(*b*)	2,64,55,00	3,01,93,00 +2,83,00*
Corporation Tax .	,,	51,18,20	50,50,00	50,50,00	55,50,00
Taxes on Income other than Corporation Tax and Estate Duty	,,	92,99,25	89,92,00	82,47,00	84,63,00
Estate Duty .	,,	—30,50	9,00	12,00	12,00
Taxes on Wealth .	,,	..	12,50,00	9,00,00	12,50,00
Taxes on Railway Fares . . .	,,	..	..	3,00	7,00
Expenditure Tax .	,,	..	..	..	3,00,00
Gift Tax . .	,,	..	..	..	2,00,00†
Opium . . .	,,	2,19,31	2,50,00	3,28,00	2,87,00
Other Heads . .	,,	6,14,21	9,25,34	10,61,35	10,39,65
TOTAL—PRINCIPAL HEADS		5,15,86,57	5,87,73,34	6,03,56,35	6,40,91,65 +4,83,00†
Contributions from Railways . .	,,	5,86,45	6,67,38	6,33,34	7,04,46
Irrigation : Net Receipts . . .	,,	—15	1,66	26	66
Posts and Telegraphs: (Net) (*a*) . .	,,	6,32,03	3,94,26	1,23,49	2,34,00
Debt Services . .	,,	5,64,72	4,90,25	6,15,42	6,60,45
Civil Administration	,,	14,27,91	43,20,84	56,79,32	44,24,05
Currency and Mint .	,,	24,29,04	36,02,31	36,84,01	36,62,26
Civil Works and Miscellaneous Public Improvements .	,,	2,61,77	2,93,14	2,76,51	2,86,01
Electricity Schemes .	,,	1,06	1,91	97	1,38
Miscellaneous .	,,	13,92,28	7,81,02	10,86,92	8,44,25
Contributions and Miscellaneous Adjustments between Union and State Governments .	,,	6,23	2,90	6,23	6,23
Extraordinary Items .	,,	1,08,38	10,53,62	45	14,00,45
TOTAL—REVENUE .		5,89,96,29	7,03,82,63	7,24,63,27	7,63,15,85 +4,83,00†
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT . .		..	..	..	28,01,67
TOTAL .		5,89,96,29	7,03,82,63	7,24,63,27	7,96,00,52

*Effect of Finance Act.

†Effect of Gift Tax Act.

(*a*) Figures shown net; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

(*b*) Excludes a sum of Rs. 420 lakhs being the share of Union Excise Duties payable to States which has been taken in reduction of Revenue.

Note.— The accounts for 1956-57 have not been finally closed and the actuals given here are only provisional.

TURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

	For details, *vide* statement	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
Direct Demands on the Revenue .	B	36,32,46	41,79,93	62,96,57	94,45,63
Irrigation . .	"	3,13	10,21	10,02	12,97
Debt Services .	"	39,06,14	35,00,00	37,44,00	40,00,00
Civil Administration	"	1,22,29,32	1,91,01,85	1,94,71,38	2,00,43,95
Currency and Mint .	"	4,85,14	6,71,79	7,35,13	8,49,64
Civil Works and Miscellaneous Public Improvements .	"	14,53,25	15,88,29	16,18,44	18,65,74
Electricity Schemes .	"	1,27	4,95	4,43	4,95
Miscellaneous .	"	52,65,15	75,72,75	74,32,44	80,20,79
Defence Services(*a*) .	"	1,92,14,70	2,52,70,55	2,66,04,87	2,78,13,64
Contributions and Miscellaneous Adjustments between Union and State Governments .	"	28,25,78	25,22,76	47,26,26	47,03,36
Extraordinary Items .	"	10,40,02	23,85,88	13,14,54	28,39,85
TOTAL—EXPENDITURE MET FROM REVENUE		5,00,56,36	6,68,08,96	7,19,58,08	7,96,00,52
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS		89,39,93	35,73,67	5,05,19	..
TOTAL .		5,89,96,29	7,03,96,63	7,24,63,27	7,96,00,52

(*a*) Figures shown net; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II.—GENERAL STATEMENT OF THE RECEIPTS

[In thousands of Rupees]

RECEIPTS	For details, *vide* Statement	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) .		89,39,93	35,73,67	5,05,19	..
Capital Accounts outside the Revenue Account .	C	..	..	..	..
Permanent Debt (net) .	,,	85,77,61	1,71,99,09	1,41,96,20	4,03,25,75
Floating Debt (net) .	,,	2,40,44,50	2,75,00,00	3,75,20,00	2,01,57,00
Loans and Advances by the Central Government (net) . . .	,,	..	..	..	..
Inter-State Settlement (net) .	,,	1,38,61	..	..	..
TOTAL I—CONSOLIDATED FUND OF INDIA .		4,17,00,65	4,82,72,76	5,22,21,39	6,04,82,75
II.—CONTINGENCY FUND OF INDIA .	C	..	..	..	..
III.—PUBLIC ACCOUNT					
Unfunded Debt (net) .	C	77,43,05	98,42,41	78,49,73	1,18,02,76
Depreciation and other Reserve Funds (net) .	,,	7,10,16	85,07	..	..
Appropriation for Reduction or Avoidance of Debt (net) .	,,	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) .	,,	..	2,01,63,82	1,00,95,13	82,32,87
Remittances (net) .	,,	39,88,46	..	63,74	..
Transfer of Cash between England and India (net)	,,	..	..	..	..
TOTAL III—PUBLIC ACCOUNT . .	,,	1,29,41,67	3,05,91,30	1,85,08,60	2,09,35,63
TOTAL RECEIPTS .		5,46,42,32	7,88,64,06	7,07,29,99	8,14,18,38
OPENING BALANCE .	C	—4,65,50	50,11,69	51,04,17	50,55,14
TOTAL .		5,41,76,82	8,38,75,75	7,58,34,16	8,46,73,52

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

[In thousands of rupees]

DISBURSEMENTS	For details, *vide* Statement	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in Part I) . . .	C	..	..	..	28,01,67
Capital Accounts not met from Revenue	,,	2,74,50,80	5,50,57,03	4,61,82,99	4,91,34,62
Permanent Debt (net) .	,,	..	..	..	..
Floating Debt (net) .	,,	..	..	..	..
Loans and Advances by the Central Government (net)	,,	2,13,13,23	2,44,65,28	2,34,10,65	2,60,23,98
Inter-State Settlement (net)	,,	..	1,45,40	1,45,00	12,00
TOTAL I.—CONSOLIDATED FUND OF INDIA . .		4,87,64,03	7,96,67,71	6,97,38,64	7,79,72,27
III.—PUBLIC ACCOUNT					
Unfunded Debt (net) .	C	..	..	..	..
Depreciation and other Reserve Funds (net) .	,,	..	..	10,40,38	28,67,24
Appropriation for Reduction or Avoidance of Debt (net)	,,	..	..	..	..
Other Deposits and Advances (net) . .	,,	3,08,34	..	..	..
Remittances (net) . .	,,	..	1,03,10	..	1,12,58
Transfer of Cash between England and India (net)	,,	28	..	..	..
TOTAL III—PUBLIC ACCOUNT. .		3,08,62	1,03,10	10,40,38	29,79,82
TOTAL—DISBURSEMENTS .		4,90,72,65	7,97,70,81	7,07,79,02	8,09,52,09
CLOSING BALANCE . .	C	51,04,17	41,04,94	50,55,14	55,21,43
TOTAL . .		5,41,76,82	8,38,75,75	7,58,34,16	8,64,73,52

A.—Statement of the Revenue of the Central Government

[In thonsands of rupees]

Heads of Revenue	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE—						
I.—Customs	1,73,23,05	1,67,60,00	1,83,00,00	+15,40,00	1,70,00,00	—13,00,00
II.—Union Excise Duties	1,90,43,05	2,55,37,00	2,64,55,00	+9,18,00	3,04,76,00	+40,21,00
III.—Corporation Tax	50,18,20	50,50,00	550,00	..	55,50,00	+5,00,00
IV.—Taxes on Income other than Corporation Tax and Estate Duty	92,99,25	89,92,00	82,47,00	—7,45,00	84,53,00	+2,06,00
V.—Estate Duty	—30,50	9,00	12,00	+3,00	12,00	..
V-A. Taxes on Wealth	..	12,50,00	9,00,00	—3,50,00	12,50,00	+3,50,00
V-B. Taxes on Railway Fares	..	..	3,00	+3,00	7,00	+4,00
V-C. Expenditure Tax	..	..	..	..	3,00,00	+3,00,00
V-D. Gift Tax	..	..	..	..	2,00,00	+2,00,00
VI.—Opium	2,19,31	2,50,00	3,28,00	+78,0	2,87,00	—41,00
VII.—Land Revenue	54,06	58,31	51,98	—6,33	52,09	+11
VIII.—State Excise Duties	71,96	1,39,33	1,73,51	+34,18	1,66,40	—7,11
IX.—Stamps	2,12,53	2,41,27	2,81,49	+40,22	2,93,17	+11,68
X.—Forest	1,70,13	2,23,42	2,46,81	+23,39	2,56,59	+9,78
XI.—Registration	4,95	8,91	8,39	—52	8,49	+10
XII.—Taxes on Vehicles	6,87	30,72	33,72	+3,00	33,94	+22
XII.—A.—Sales Tax	..	..	..	..	1,79,76	+1,79,76
XIII.—Other Taxes and Duties	93,71	2,23,38	2,65,45	+42,07	49,21	—2,16,24
TOTAL	5,15,86,57	5,87,73,34	6,03,56,35	+15,83,01	6,45,74,65	+42,18,30
IRRIGATION—						
XVII.—Irrigation, Navigation, Embankment and Drainage Works (Commercial)	57	,50	10	—1,40	50	+40
Deduct—Working Expenses	*88*	..	..	..	..	..
Net Receipts	—31	1,50	10	—1,40	50	+40
XVIII.—Irrigation, Navigation. Embankment and Drainage Works (Non-Commercial)	16	16	16	..	16	..
TOTAL	—15	1,66	26	—1,40	66	+40
POSTS AND TELEGRAPHS						
XIX.—Posts and Telegraphs— Gross Receipts	56,83,74	62,07,50	60,69,00	—1,38,50	63,64,00	+2,95,00
Deduct—Working Expenses	*48,03,41*	*55,36,01*	*56,67,28*	*—1,31,27*	*58,15,84*	*—1,48,56*
Net Receipts	8,80,33	6,71,49	4,01,72	—2,69,77	5,48,16	+1,46,44
DEBT SERVICES						
XX.—Interest	5,64,72	4,90,25	6,15,42	+1,25,17	6,60,45	+45,03
Carried over	5,30,31,47	5,99,36,74	6,13,73,75	+14,37,01	6,57,83,92	+44,10,17

A.—Statement of the Revenue of the Central Government—*contd.*

[In thosands of Rupees]

Heads of Revenue	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+)Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	5,30,31,47	5,99,36,74	6,13,73,75	+14,37,01	6,57,83,92	+44,10,17
CIVIL ADMINISTRATION—						
XXI.—Administration of Justice	7,74	8,60	10,05	+1,45	10,31	+26
XXII.—Jails and Convict Settlements	45	1,21	84	—37	1,15	+31
XXIII.—Police	25,39	23,27	36,57	+13,30	35,06	—1,51
XXIV.—Ports and Pilotage	24,55	48,79	40,11	—8,68	41,40	+1,29
XXIV-A.—Mercantile Marine	..	..	..	..	8,74	+8,74
XXV.—Lighthouses and Lightships	47,60	43,00	49,32	+6,32	48,34	—98
XXVI.—Education	51,80	36,21	38,80	+2,59	32,26	—6,54
XXVII.—Medical	24,38	30,56	26,27	—4,29	29,28	+3,01
XXVIII.—Public Health	24,58	13,48	20,60	+7,12	22,08	+1,48
XXIX.—Agriculture	60,56	67,57	80,48	+12,91	79,40	—1,08
XXIX-A.—Rural Development	6	..	..	..	..	..
XXX.—Veterinary	14,88	19,09	16,27	—2,82	17,79	+1,52
XXXI.—Co-operation	1,53	20	1,56	+1,36	1,54	—2
XXXII.—Industries and Supplies—						
Gross Receipts	8,38,63	34,52,55	47,28,58	+12,76,03	34,80,42	—12,48,16
Deduct— Working Expenses	2,46,13	..	..	..	..	..
Net Receipts	5,92,50	34,52,55	47,28,58	+12,76,03	34,80,42	—12,48,16
XXXIII.—Aviation	85,17	84,01	96,48	+12,47	89,95	—6,53
XXXIV.—Broadcasting	1,59,85	1,57,48	1,72,84	+15,36	1,77,88	+5,04
XXXVI.—Miscellaneous Departments	3,06,87	3,34,82	3,60,55	+25,73	3,48,45	—12,10
TOTAL	14,27,91	43,20,84	56,79,32	+13,58,48	44,24,05	—12,55,27
CURRENCY AND MINT—						
XXXVII.—Currency	21,69,23	32,93,51	32,81,48	—12,03	32,36,95	—44,53
XXXVIII.—Mint	2,59,81	3,08,80	4,02,53	+93,73	4,25,31	+22,78
TOTAL	24,29,04	36,02,31	36,84,01	+81,70	36,62,26	—21,75
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works	2,59,92	2,91,55	2,75,58	—15,97	2,84,43	+8,85
XL-A.—Receipts from Multi-purpose River Schemes	1,85	1,59	93	—66	1,58	+6
TOTAL	2,61,77	2,93,14	2,76,51	—16,63	2,86,01	+9,50
ELECTRICITY SCHEMES—						
XLI.—Receipts from Electriciy Schemes—						
Gross Receipts	9,13	9,61	8,69	—92	9,75	+1,06
Deduct— Working Expenses	8,07	7,70	7,72	—2	8,37	—65
Net Receipts	1,06	1,91	97	—94	1,38	+41
Carried over	5,71,51,25	6,81,54,94	7,10,14,56	+28,59,62	7,41,57,62	+31,43,06

A.—Statement of the Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate 1957-58	Increase (+) Decrease(—) as compared with Budget, 1957-58	Budget Esimate 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	5,71,51,25	6,81,54,94	7,10,14,56	+28,59,62	7,41,57,62	+31,43,06
MISCELLANEOUS—						
XLIV.—Receipts in aid of Superannuation	45,18	73,10	75,20	+2,10	72,80	—2,40
XLV.—Stationery and Printing	37,46	36,48	31,19	—5,29	29,08	—2,11
XLV-A.—Contributions from Railways	5,86,45	6,67,38	6,33,34	—34,04	7,04,46	+71,12
XLVI.—Miscellaneous	13,15,11	6,60,60	9,81,60	+3,21,00	7,46,54	—2,35,06
XLVI-A.—Receipts from Road and Water Transport Schemes—Gross Receipts	25,41	57,05	56,50	—55	57,31	+81
Deduct—Working Expenses	*30,88*	*46,21*	*57,57*	—11,36	*61,48*	—3,91
Net Receipts	—5,47	10,84	—1,07	—11,91	—4,17	—3,10
TOTAL	19,78,73	14,48,40	17,20,26	+2,71,86	15,48,71	—1,71,55
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective	19,57,41	13,39,53	15,62,16	+2,22,63	13,56,36	—2,05,80
XLVIII.—Defence Receipts—Non-effective	12,72	7,72	11,54	+3,82	8,98	—2,56
TOTAL	19,70,13	13,47,25	15,73,70	+2,26,45	13,65,34	—2,08,36
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments	6,23	2,90	6,23	+3	6,23	..
EXTRAORDINARY ITEMS—						
LI.—Extraordinary Receipts	1,00,57	10,53,50	..	—10,53,50	14,00,00	+14,00,00
A.—Receipts on account of Community Development Projects, National Extension Service and Local Development Works	6,42	12	45	+33	45	..
LII-B.—Civil Defence	—11	..	..	..	..	..
LII-C.—Pre-partition Receipts	1,50	..	..	..	..	..
TOTAL	1,08,38	10,53,62	45	—10,53,17	14,00,45	+14,00,00
RAILWAY REVENUE AS PER RAILWAY BUDGET	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38	+13,98,15
TOTAL—REVENUE	6,80,81,91	8,08,96,76	8,23,20,43	+14,23,67	8,78,81,7	+55,61,30
Excess of Expenditure over Revenue or Deficit	..	..	..	..	28,01,67	..

B.—Statement of the Expenditure met from Revenue of the Central Government

[In thousands of rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA						
DIRECT DEMANDS ON THE REVENUE—						
1.—Customs	2,81,32	4,02,57	4,08,92	+6,35	4,16,26	+7,34
2.—Union Excise Duties	23,31,54	24,57,13	45,41,12	+20,83,99	74,64,66	+29,23,54
3.—Corporation Tax		1,17,55	1,15,28	—2,27	1,30,95	+15,67
4.—Taxes on Income other than Corporation Tax and Estate Duty	4,25,84	3,42,40	3,46,27	+3,87	3,80,48	+34,21
5.—Estate Duty		8,84	9,88	+1,04	9,93	+5
5-A.—Taxes on Wealth	..	..	4,00	+4,00	13,60	+9,60
5-B.—Taxes on Railway fares	..	..	2,22	+2,22	4,73	+2,51
5-C.—Expenditure Tax	..	..	..	..	3,00	+3,00
6.—Opium	1,51,84	2,11,07	2,05,34	—5,73	2,42,18	+36,84
7.—Land Revenue	31,38	35,83	33,91	—1,92	42,18	+8,27
8.—State Excise Duties	20,05	45,57	46,54	+97	49,18	+2,64
9.—Stamps	1,54,36	1,69,77	2,11,56	+41,79	2,38,63	+27,07
10.—Forest	2,13,53	3,56,63	3,35,30	—21,33	4,08,14	+72,84
11.—Registration	1,56	1,76	1,92	+16	1,89	—3
12.—Taxes on Vehicles	16,37	20,34	22,34	+2,00	26,17	+3,83
12-A.—Sales Tax	..	..	..	..	10,19	+10,19
13.—Other Taxes and Duties	4,67	10,47	11,97	+1,50	3,46	—8,51
TOTAL	36,32,46	41,79,93	62,96,57	+21,16,64	94,45,63	+31,49,06
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.—Irrigation, Navigation, Embankment and Drainage Works (Commercial)	..	..	..	..	..	..
18.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)	3,48	10,21	10,02	—19	12,97	+2,95
TOTAL	3,48	10,21	10,02	—19	12,97	+2,95
CAPITAL ACCOUNTS OF IRRIGATION, ETC., WORKS MET FROM REVENUE—						
19.—Construction of Irrigation Works financed from Ordinary Revenues	—35	..	..	..	..	..
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20.—Posts and Telegraphs—Interest on Debt	2,48,30	2,77,23	2,78,23	+1,00	3,14,16	+35,93
Carried over	38,83,89	44,67,37	65,84,82	+21,17,45	97,72,76	+31,87,94

B.—Statement of the Expenditure met from Revenue of the Central Government —*contd.*

[In thousands of rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+)Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	38,83,89	44,67,37	65,84,82	+21,17,45	97,72,76	+31,87,94
DEBT SERVICES—						
22.—Interest on Debt and other Obligations . . .	99,41,36	1,14,33,05	1,16,83,05	+2,50,00	1,34,42,93	+17,59,88
Deduct—Interest transferred to—						
Railways . .	*32,29,91*	*37,11,35*	*37,90,85*	—79,50	*42,53,93*	—4,63,08
Irrigation . .	..	*90*	..	*+90*	..	..
Posts and Telegraphs	..	*2,76,54*	*2,81,23*	—4,69	*3,17,16*	—35,93
State Governments .	*28,01,72*	*40,97,67*	*39,42,75*	+1,54,92	*50,09,63*	—10,66,88
Commuted Value of Pensions . .	*1,25,65*	*22,44*	*22,62*	—18	*21,06*	+1,56
Other heads . .	*3,77,94*	*3,24,15*	*4,01,60*	*—77,45*	*3,41,15*	+60,45
TOTAL TRANSFERS .	*65,35,22*	*84,33,05*	*84,39,05*	—6,00	*99,42,93*	—15,03,88
NET . . .	34,96,14	30,00,00	32,44,00	+2,44,00	35,00,00	+2,56,00
23.—Appropriation for Reduction or Avoidance of Debt . .	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL .	39,06,14	35,00,00	37,44,00	+2,44,00	40,00,00	+2,56,00
CIVIL ADMINISTRATION						
25.—General Administration . .	14,06,44	15,67,46	14,85,05	—82,41	16,34,27	+1,49,22
26.—Audit . . .	5,99,15	6,61,84	6,65,92	+4,08	7,25,77	+59,85
27.—Administration of Justice . .	25,74	38,64	40,85	+2,21	42,17	+1,32
28.—Jails and Convict Settlements . .	8,03	13,30	13,40	+10	14,06	+66
29.—Police . .	6,57,78	7,95,10	7,88,75	—6,35	8,26,37	+37,62
30.—Ports and Pilotage	80,42	1,05,28	1,02,49	—2,79	46,08	—56,41
30-A.—Mercantile Marine . .	..	..	..	..	61,29	+61,29
31.—Lighthouses and Lightships	44,73	43,00	49,32	+6,32	48,34	—98
34.—Tribal Areas .	4,18,07	5,40,02	5,73,32	+33,30	9,40,92	+3,67,60
35.—External Affairs .	6,90,91	7,12,83	7,16,93	+4,10	7,49,61	+32,68
36.—Scientific Departments . .	11,32,87	16,42,93	14,08,79	—2,34,14	17,79,14	+3,70,35
37.—Education .	19,43,66	29,12,41	24,14,94	—4,97,47	29,63,20	+5,48,26
38.—Medical . .	2,86,78	5,01,02	4,57,92	—43,10	6,14,71	+1,56,79
39.—Public Health .	3,35,38	5,77,91	5,84,44	+6,53	9,88,11	+4,03,67
40.—Agriculture .	7,45,57	13,51,12	13,33,61	—17,51	13,87,18	+53,57
40-A.—Rural Development . .	47,65	75,25	91,90	+16,65	85,16	—6,74
41.—Veterinary .	93,10	1,50,31	1,14,46	—35,85	1,52,90	+38,44
42.—Co-operation .	74,21	1,55,91	1,44,68	—11,23	1,39,35	—5,33
43.—Industries and Supplies . .	20,93,33	53,16,25	65,81,28	+12,65,03	46,15,71	—19,65,57
44.—Aviation . .	2,79,41	3,05,22	3,08,47	+3,25	3,24,88	+16,41
45.—Broadcasting .	3,18,00	3,58,39	3,44,34	—14,05	3,73,50	+29,16
47.—Miscellaneous Departments .	9,48,09	12,77,66	12,50,52	—27,14	15,31,23	+2,80,71
TOTAL . .	1,22,29,32	1,91,01,85	1,94,71,38	+3,69,53	2,00,43,95	+5,72,57
Carried over .	2,00,19,35	2,70,69,22	2,98,00,20	+27,30,98	3,38,16,71	+40,16,51

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	2,00,19,35	2,70,69,22	2,98,00,20	+27,30,98	3,38,16,71	+40,16,51
CURRENCY AND MINT—						
48.—Currency	2,42,54	3,59,71	3,50,83	+8,88	3,72,87	+22,04
49.—Mint	2,42,60	3,12,08	3,84,30	+72,22	4,76,77	+92,47
TOTAL	4,85,14	6,71,79	7,35,13	+63,34	8,49,64	+ 1,14,51
CIVIL WORKS, ETC.—						
50.—Civil Works	14,04,64	14,97,71	15,37,02	+39,31	17,75,51	+2,38,49
51-B.—Other Revenue Expenditure connected with Multi-purpose River Schemes	48,61	90,58	81,42	—9,16	90,23	+8,81
TOTAL	14,53,25	15,88,29	16,18,44	+30,15	18,65,74	+2,47,30
ELECTRICITY SCHEMES—						
52-A.—Other Revenue Expenditure connected with Electricity Schemes	1,27	4,95	4,43	—52	4,95	+52
CAPITAL ACCOUNT OF ELECTRICITY SCHEMES WITHIN REVENUE ACCOUNT—						
53—Capital Outlay on Electricity Schemes	..	..	..	..	..	..
TOTAL	1,27	4,95	4,43	—52	4,95	+52
MISCELLANEOUS—						
54.—Famine	6,66	25	6,05	+5,80	25	—5,80
54-A.—Territorial and Political Pensions	30,45	27,95	25,35	—2,60	22,09	—3,26
54-B.—Privy Purses and Allowances of Indian Rulers	5,37,01	5,54,48	5,50,74	—3,74	5,46,75	—3,99
55.—Superannuation Allowances and Pensions	3,29,48	3,35,11	3,59,82	+24,71	3,71,27	+11,45
56.—Stationery and Printing	1,27,35	2,70,36	2,48,78	—21,58	2,56,32	+7,54
57.—Miscellaneous	42,34,20	63,84,60	62,41,70	—1,42,90	68,24,11	+5,82,41
TOTAL	52,65,15	75,72,75	74,32,44	—1,40,31	80,20,79	+5,88,35
DEFENCE SERVICE—						
58.—Defence Services Effective—Army	1,46,71,45	1,66,56,61	1,74,03,40	+7,46,79	1,72,04,36	—1,99,04
59.—Defence Services Effective—Navy	12,43,68	15,97,81	15,28,48	—69,33	16,61,98	+1,33,50
60.—Defence Services Effective—Air Force	38,58,51	69,81,49	78,16,38	+8,34,89	88,54,65	+10,38,27
60-A.—Defence Services—Non-Effective	14,11,19	13,81,89	14,30,31	+48,42	14,57,99	+27,68
TOTAL	2,11,84,83	2,66,17,80	2,81,78,80	+15,60,77	2,91,78,981	+10,00,41
Carried over	4,84,08,99	6,35,24,80	6,77,69,21	+42,44,41	7,37,30,81	+59,67,60

B.—Statement of the Expenditure met from Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease (—) as compared with Budget, 1957-58	Budget Estimate, 1958-59	Increase (+) Decrease(—) as compared with Revised, 1957-58
I.—CONSOLIDATED FUND OF INDIA—(*cont'd.*)						
Brought forward .	4,84,08,99	6,35,24,80	6,77,69,21	+42,44,41	7,37,36,81	+59,67,60
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
61.—Grants-in-aid to States . .	28,20,95	25,16,66	47,20,16	+22,03,50	46,96,70	—23,46
62.—Miscellaneous Adjustments between Union and State Governments .	4,83	6,10	6,10	..	6,66	+56
TOTAL . .	28,25,78	25,22,76	47,26,26	+22,03,50	47,03,36	—22,90
EXTRAORDINARY ITEMS—						
63.—Extraordinary Charges . .	..	10,00,00	..	—10,00,00	14,00,00	+14,00,00
63-B.—Community Development Projects, National Extension Service and Local Development Works . . .	9,28,18	13,14,88	12,22,61	—92,27	14,01,64	+1,79,03
64-B.—Civil Defence	95	1,00	96	—4	94	—2
64-C.—Pre-partition Payments . .	1,10,89	70,00	90,97	+20,97	37,27	—53,70
TOTAL .	10,40,02	23,85,88	13,14,54	—10,71,34	28,39,85	+15,25,31
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET . .	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38	+13,98,15
TOTAL—EXPENDITURE MET FROM REVENUE .	5,91,41,98	7,73,23,09	8,18,15,24	+44,92,15	9,06,83,40	+88,68,16
Excess of Revenue over Expenditure or Surplus .	89,39,93	35,73,67	5,05,19	..	..	..

C.—Statement of the Receipts and Disbursements of the Central Government

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B)	89,39,93	35,73,67	5,05,19	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Lend Surpluses	..	..	..	..
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
New Loan	1,57,72,72	1,00,00,00	..	1,45,00,00
4 per cent Loan, 1972	..	..	49,16,87	..
3 3/4 per cent National Plan Bonds—Fourth Series (3 3/4 per cent 1967).	..	..	56,99,15	..
3 1/4 per cent Bonds, 1962	..	..	30,00,00	..
15-Year Annuity Certificates	42,35	80,00	50,00	1,65,00
Other Loans	1,17	..	..	..
TOTAL	1,58,16,24	1,00,80,00	1,36,66,02	1,46,65,00
II.—FLOATING DEBT—				
Treasury Bills	27,38,57,50	37,35,00,00	41,57,22,00	52,71,36,00
Other Floating Loans	..	..	..	..
TOTAL	27,38,57,50	37,35,00,00	41,57,22,00	52,71,36,00
B.—*Debt raised in England—*				
Permanent Debt	..	..	..	..
C.—Other Debt	10,84,42	1,09,93,00	78,07,44	2,84,76,14
TOTAL—PUBLIC DEBT	29,07,58,16	39,45,73,00	43,71,95,46	57,02,77,14
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments	34,60,10	44,11,74	94,30,38	62,21,84
Other Loans and Advances	7,48,87	11,79,70	16,94,80	12,46,66
TOTAL	42,08,97	55,91,44	1,11,25,18	74,68,50
INTER-STATE SETTLEMENT—				
India and Pakistan	..	..	..	..
India and Burma	..	..	..	..
India and France	..	..	..	..
Centre and Rajasthan	..	..	..	..
Centre and Mysore	..	..	..	..
Centre and Kerala	..	..	..	..
Centre and Hyderabad	1,55,00	..	..	..
TOTAL	1,55,00	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	30,40,62,06	40,37,38,11	44,88,25,83	57,77,45,64

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A)	..	..	..	28,01,67
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget)	1,07,37,73	1,24,17,10	1,38,46,97	1,38,83,59
Posts & Telegraphs	9,58,96	9,85,00	11,00,87	10,82,00
Forest	17,45	18,31	9,13	9,51
Security Printing Press	1,02	7,61	3,25	11,07
Irrigation	28,48	17,22	13,36	19,46
Agricultural Improvement and Research	4,43,75	2,41,89	1,67,25	1,78,70
Industrial Development	66,33,73	1,85,92,38	1,52,25,85	1,93,08,89
Civil Aviation	2,46,54	2,87,61	2,81,58	3,28,67
Broadcasting	1,24,45	1,65,00	1,02,09	1,15,00
Ports	4,02,21	5,29,02	3,70,34	3,92,57
Currency and Coinage	—44,29	2,85	—21,67	69,14
Mint	17,80	72,00	48,42	46,20
Delhi Capital Outlay	6,91,46	7,38,42	7,38,42	6,44,70
Multi-purpose River Schemes	2,24,58	3,71,57	3,29,70	4,22,00
Civil Works	16,43,40	11,36,58	16,21,58	15,27,80
Capital Outlay on Electricity Schemes	41,60	37,50	26,74	53,97
Capital Outlay on Other Works	2,00	3,52,00	83,20	1,49,80
Road and Water Transport Schemes	6,87	13,00	13,00	15,00
Capital Outlay on Shipping, Tankers, etc.	70,25	1,63,75	1,23,05	58,50
Dandakaranya Development Scheme	..	..	25,00	2,99,75
Payments of Commuted Value of Pensions	—46,43	—31,35	—34,99	—33,01
Capital Outlay on Sterling Pensions	—8,90,12	—8,85,24	—8,85,24	—24,88,76
Compensation to Displaced Persons	19,87,32	19,90,54	15,54,44	13,33,31
Payments to Retrenched Personnel	—1,17	—40	—49	—15
Transfer of Development assistance from Government of U.S.A.	..	95,30,00	35,02,46	78,47,18
Defence Capital Outlay	19,70,15	23,54,50	24,92,52	27,00,00
Schemes of Government Trading	11,67,27	49,35,27	44,14,94	2,90,56
Capital Outlay on Development Grants	10,15,79	10,14,90	10,31,22	8,69,17
TOTAL	2,74,50,80	5,50,57,03	4,61,82,99	4,91,34,62
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
15-Year Annuity Certificates	5,86	10,00	10,00	15,00
Other Loans	79,96,21	31,75,00	67,95,00	20,00,00
CARRIED OVER	80,02,07	31,85,00	68,05,00	20,15,00
CARRIED OVER	2,74,50,80	5,50,57,03	4,61,82,99	5,19,36,29

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Brought forward . .	2,74,50,80	5,50,57,03	4,61,82,99	5,19,36,29
Brought forward . .	80,02,07	31,85,00	68,05,00	20,15,00
II.—FLOATING DEBT—				
Treasury Bills	24,98,13,00	34,60,00,00	37,77,22,00	50,66,36,00
Other Floating Loans. . .	..	..	4,80,00	3,43,00
TOTAL .	24,98,13,00	34,60,00,00	37,82,02,00	50,69,79,00
B.—*Debt raised in England*				
PERMANENT DEBT—				
India Stocks	1,65	2,58	2,48	40,00
Railway Debenture Stocks . .	29			
State Railway Annuities. . .	91,28	59,02	59,03	48,13
TOTAL .	93,22	61,60	61,51	88,13
C.—Other Debt	2,27,76	6,27,31	4,10,75	7,12,26
TOTAL—PUBLIC DEBT .	25,81,36,05	34,98,73,91	38,54,79,26	50,97,94,39
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	1,98,31,80	2,33,36,71*	2,82,82,99	2,79,32,65
Other Loans and Advances .	56,90,40	67,20,01	62,52,84	55,59,83
TOTAL .	2,55,22,20	3,00,56,72	3,45,35,83	3,34,92,48
INTER-STATE SETTLEMENT—				
India and Pakistan . . .	..	..	..	..
India and Burma . . .	..	..	..	..
India and France . . .	10,39	40	..	..
Centre and Rajasthan . .	..	..	..	..
Centre and Mysore . . .	6,00	1,45,00	1,45,00	..
Centre and Kerala . . .	..	..	..	12,00
Cntre and Hyderabad . .	..	..	..	..
TOTAL .	16,39	1,45,40	1,45,00	12,00
TOTAL—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	31,11,25,44	43,51,33,06	46,63,43,08	59,52,35,16

*For the reasons explained in para 66 of the Budget Speech, this figure is less by Rs. 15 crores from the net amount appearing in the Demand for 'Loans and Advances by the Central Government' for "Loans to State Governments."

C.—Statement of the Receipts and Disbursements of the Central Government.—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
II.—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA				
Appropriations from the Consolidated Fund or from any Reserve Fund .	..	..	..	..
I.—CONTINGENCY FUND OF I. A—RECEIPTS . . .	..	..	..	..

C.—Statement of the Receipts and Disbursements of the Ceneral Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposit of Service Funds	2,63	2,64	2,60	2,56
Post Office Savings Bank Deposits	1,76,97,64	1,96,35,00	1,74,00,00	1,90,00,00
10-Year Treasury Savings Deposit Certificates	3,86,35	5,30,00	6,46,00	18,50,00
12-Year National Plan Savings Certificates	..	..	62,00,00	90,00,00
Post Office Cumulative Time Deposits	..	..	..	2,50,00
Post Office Cash Certificates	—9	..	..	..
Defence Savings Certificates	—41	..	..	..
Defence Savings Bank Deposits	..	..	..	..
National Savings Certificates	34,48,94	37,70,00	4,77,00	..
10-Year National Plan Certificates	10,07,50	12,50,00	1,27,00	..
State Provident Funds	41,03,08	39,20,25	39,87,79	40,63,03
Special Loans	..	..	..	..
Other Accounts	2,63,72	2,62,22	2,31,84	2,67,52
TOTAL	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	49,21,32	50,67,66	51,14,94	50,26,72
Railway Development Fund as shown in Railway Budget	20,64,30	31,50,62	22,04,87	27,51,57
P. & T. Renewals Reserve Fund	1,44,50	2,72,91	2,72,98	2,78,10
Telephone Development Fund	73,79	65,00	65,00	65,00
Other Reserve Funds	39,47	53,08	77,82	72,82
(*b*) *Non-interest bearing*—				
Other Reserve Funds	..	19,30	22,33	23,58
Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942	—1,71	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943	4,63	10,00	20,00	20,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	16,41	..	..	..
Deposits towards payment of Excess Profits Tax	54,08	..	..	..
Deposits towards payment of Income Tax	31,84	15,00	30,00	20,00
Advance payment of Tax under Section 18-A of the Income Tax Act	8,12,62	..	..	..
Deposits under Section 10(2B) of the Indian Income Tax Act	..	30,00,00	4,00,00	10,00,00
Deposits of Trusts for Indian Princes	5,37	5,20	5,20	5,04
Other Deposits	20,60	..	..	..
Carried over	86,87,22	1,21,58,77	87,13,14	97,62,83
Carried over	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11
Brought forward	86,87,22	1,21,58,77	87,13,14	97,62,83
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve	1,67,77	..	..	..
Central Road Fund	5,35,36	4,81,45	4,65,09	5,01,25
Kutch Benevolent Fund	50	..	..	..
Fund for the Benefit of Cotton-growers	13,20	26,00	26,00	25,00
Cotton Textiles Fund	..	..	..	..
Sugar (Temporary) Excise Fund	8,17	8,23	13,60	7,83
Reserve Fund for Protection of Sugar Industry	..	84	84	..
Fund for Relief of Groundnut Cultivators	..	12	13	16
Fund for Relief of Linseed Cultivators	1	..	..	..
Fund for Development of Handloom and Khadi Industries	14,31,77	8,94,00	11,58,65	8,57,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat	3,85,17	..	..	..
Fund from the sale proceeds of Wheat received under the Colombo Plan	36,68	..	..	..
Fund from other Assistance under the Colombo Plan	4,47,41	7,06,00	6,33,80	3,86,33
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement	21,96,95	22,15,00	18,84,23	20,62,76
Fund from the sale proceeds of American Loan Commodities	..	40,30,00	35,02,46	10,47,00
Fund for Assistance from Norway for Fisheries Community Development	..	46,00	46,00	25,00
Assistance under P.L. 480	..	65,00,00	..	82,00,00
Coal Mines Labour Housing and General Welfare Fund	1,22,51	1,31,03	1,28,66	1,20,49
Mica Mines Labour Welfare Fund	32,66	17,00	20,00	20,00
Coal Production Fund	18	1,35,39	1,09,13	..
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay	..	..	..	..
Iron and Steel Equalisation Fund	..	27,91,70	40,74,44	19,47,24
Workmen's Benefit Fund	..	..	..	..
P.O. Certificate Bonus Fund	4,41,80	4,70,44	2,00,23	1,37,96
Deposits of Local Funds	5,63,05	4,02,89	5,61,77	5,07,03
Civil Deposits	2,02,64,74	1,62,00,41	2,14,29,99	1,96,12,04
Other Deposits	49,48,59	54,48,92	58,23,31	54,92,92
Carried over	4,02,83,74	5,26,64,19	4,87,82,47	5,07,12,84
Carried over	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Reviseed Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	2,69,09,36	2,93,70,11	2,90,72,23	3,44,33,11
Brought forward	4,02,83,74	5,26,64,19	4,87,82,47	5,07,12,84
Account of payment in respect of provisional assessment of Excess Profits Tax	18,99	..	..	..
Deposit account of refundable Excess Profits Tax	5,44	5,00	5,00	5,00
Deposit account of refundable Central Income-Tax Surcharge	..	..	..	..
Deposit account of interest on Excess Profits Tax Deposits	..	3,00	2,90	3,00
Deferred Pay to Indian Troops	..	1,40,60	1,43,00	1,50,00
Post-war Reconstruction Fund	..	..	..	..
Other Accounts	—4,85,52	1,00,73	2,23,84	2,48,02
Accounts with the Government of Burma	2	5,95	68	67
Accounts with the Reserve Bank	6	94,55	1,32,36	1,40,22
Other Advances	1,25,57,04	1,08,42,93	1,52,62,30	1,59,32,31
Value of One-rupee Notes issued	5,00,00	5,00,00	5,00,00	5,00,00
Purchases and Sales of Silver (net)	..	..	..	..
Sales of lease-lend Silver (net)	..	..	..	..
Cash Balance Investment Account (net)	..	..	1,27	5,35
Profits on circulation of nickel, bronze and copper coins (net)	3,98,70	..	..	..
Discount Sinking Fund	1,16,88	1,58,89	1,58,89	1,72,72
Bonus on Loans	..	..	..	..
Other Suspense Accounts (net)	..	73,57,81	7,16,85	98,15
Cheques and Bills (net)	5,57,54	5,66,08	6,00,00	1,00,00
Departmental and Similar Accounts (net)	3,16,17	6,88,36	2,09,05	2,68,59
Miscellaneous	7,98,04	1,58,16	1,22,18	86,10
TOTAL	5,50,67,10	7,32,86,25	6,68,60,79	6,84,22,97
Carried Over	8,19,76,46	10,26,56,36	9,59,33,02	10,28,56,08

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
II.—PUBLIC ACCOUNT—*concld.*				
Brought forward .	8,19,76,46	10,26,56,36	9,59,33,02	10,28,56,08
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders . .	2,51,98,27	2,65,50,00	2,66,50,00	2,80,00,00
Other Remittances . . .	17,28,51	4,10,40	4,46,65	4,05,84
Accounts between civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs	36,15,34	50,74,93	25,01,11	46,58,12
Exchange Accounts between Civiland Defence Services .	1,64,41,13	1,88,87,34	1,94,78,96	2,12,84,64
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchases and Sales of Silver .	..	..	..	..
Other Transactions . .	1,83,74,04	1,31,37,13	1,76,80,37	1,58,12,41
TOTAL .	6,53,57,29	6,40,59,80	6,67,57,09	7,01,61,01
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,62,87,79	1,77,88,22	2,23,44,04	1,92,11,57
RESERVE BANK DEPOSITS— Railways . . .	—85,81,99	—1,08,39,29	—1,34,97,17	—1,52,25,26
TOTAL III—PUBLIC ACCOUNT RECEIPTS	15,50,39,55	17,36,65,09	17,15,63,98	17,70,03,40
TOTAL—(I+II+III) .	45,91,01,61	57,74,03,20	62,03,62,81	75,47,49,04
OPENING BALANCE . .	—4,65,50	50,11,69	51,04,17	50,55,14
GRAND TOTAL . . .	45,86,36,11	58,24,14,89	62,54,66,98	75,98,04,18

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
II.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposit of Service Funds	5,07	4,40	4,25	4,23
Post Office Savings Bank Deposits	1,48,32,29	1,55,35,00	1,56,00,00	1,65,00,00
10-Year Treasury Savings Deposit Certificates	85,04	1,00,00	1,26,00	1,50,00
12-Year National Plan Savings Certificates	..	..	..	4,00,00
Post Office Cumulative Time Deposits	..	..	..	..
Post Office Cash Certificates	1,09,50	66,00	95,00	90,00
Defence Savings Certificates	4,08	4,00	5,00	3,00
Defence Savings Bank Deposits	..	..	..	..
National Savings Certificates	15,41,60	14,00,00	26,87,00	26,57,00
10-Year National Plan Certificates	1,07,98	1,50,00	3,77,00	4,50,00
Otate Provident Funds	22,92,55	20,84,20	21,43,18	21,92,15
Special Loans	48	34	48	48
Sther Accounts	1,87,72	1,83,76	1,84,59	1,83,49
TOTAL	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	43,69,69	49,59,37	58,85,36	69,51,66
Railway Development Fund as per Railway Budget	19,84,57	32,36,96	25,92,90	36,70,32
P. & T. Renewals Reserve Fund	1,20,82	1,15,00	1,15,00	1,33,00
Telephone Development Fund	23,03	75,00	40,00	1,80,00
Other Reserve Funds	35,11	1,37,66	1,43,64	1,23,25
(*b*) *Non-interest bearing*—				
Other Reserve Funds	..	19,51	21,42	26,80
Appropriation for Reduction or Avoidance of Debt—				
Sinking Funds	..	..	..	..
OTHER DEPOSITS AND ADVANCES—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942	36	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943	18,26	21,00	16,00	16,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	4,26	50	50	50
Carried over	65,56,10	85,65,00	88,14,82	1,11,01,53
Carried over	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,30

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward . .	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35
Brought forward . .	65,56,10	85,65,00	88,14,82	1,11,01,53
Deposits towards payment of Excess Profits Tax	5,28	..	..	..
Deposits towards payment of Income Tax	37,14	25,00	25,00	25,00
Deposits towards payment of Super-tax	..	..	..	..
Advance payment of Tax under Section 18A of the Income Tax Act .	10,66,02	10,00	1,00	1,00
Deposits under Section 10 (2B) of the Indian Income Tax Act . .	..	15,00,00	50,00	3,00,00
Deposits of Trusts for Indian Princes	22,11	22,11	22,11	22,11
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve . .	..	..	..	..
Central Road Fund . . .	3,77,72	6,32,22	5,98,57	5,90,67
Kutch Benevolent Fund . . .	17	..	..	..
Fund for the Benefit of Cotton growers	57,85	54,00	48,49	77,38
Cotton Textiles Fund . . .	21,08	29,78	27,68	38,96
Sugar (Temporary) Excise Fund .	41,30	26,36	2,61	6,25
Reserve Fund for Protection of Sugar Industry	..	..	..	..
Fund for Relief of Groundnut Cultivators	..	7	7	9
Fund for Relief of Linseed Cultivators	..	17	16	25
Fund for Development of Handloom and Khadi Industries . . .	16,51,04	8,94,00	11,58,65	8,57,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . . .	3,25,00	..	..	..
Fund from the sale proceeds of Wheat received under the Colombo Plan .	..	..	..	..
Fund from other Assistant under the Colombo Plan	1,90,60	7,07,00	3,46,91	2,57,43
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement	11,33,17	21,30,00	9,48,96	11,63,39
Fund from the sale proceeds of American Loan Commodities . .	9,52	..	..	..
Fund for Assistance from Norway for Fisheries Community Development	6,77	46,00	46,00	25,00
Assistance under P.L. 480 . .	..	15,00,00	..	21,00,000
Coal Mines Labour Housing and General Welfare Fund . . .	1,35,01	2,41,13	1,25,33	2,75,19
Mica Mines Labour Welfare Fund .	13,02	35,75	15,80	24,72
Coal Production Fund . . .	..	2,35,63	2,23,81	..
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay . . .	..	..	..	..
Iron and Steel Equalisation Fund .	..	27,90,58	22,85,43	28,82,06
Workmen's Benefit Fund . .	..	54	2	52
P.O. Certificate Bonus Fund . .	27,38	40,77	30,66	49,09
Deposits of Local Funds . . .	4,82,86	3,92,16	5,83,78	5,24,30
Civil Deposits	1,96,19,35	1,62,52,70	2,07,44,16	1,95,78,8 4
Other Deposits	46,36,73	48,53,19	53,20,06	49,16,56
Carried over . .	3,64,15,22	4,09,84,16	4,14,20,08	4,48,17,34
Carried over . .	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	1,91,66,31	1,95,27,70	2,12,22,50	2,26,30,35
Brought forward	3,64,15,22	4,09,84,16	4,14,20,08	4,48,17,34
Account of payment in respect of provisional assessment of Excess Profits Tax	22,19	5,00	5,00	5,00
Deposit account of refundable Excess Profits Tax	70,07	11,00	11,00	16,00
Deposit account of refundable Central Income-Tax Surcharge	20	..	..	..
Deposit account of interest on Excess Profits Tax Deposits	1,90	1,50	1,50	1,00
Deferred Pay to Indian Troops	..	72,00	60,00	40,00
Post-war Reconstruction Fund	..	3,00	1,00	1,00
Other Accounts	10,42,81	98,59	2,70,84	1,97,05
Account with the Government of Burma	75	5,85	2,78	1,77
Accounts with the Reserve Bank	6,68	90,09	1,38,30	1,38,06
Other Advances	1,45,07,93	1,09,37,84	1,51,66,26	1,68,53,84
Value of One-rupee Notes issued	..	..	..	..
Purchases and Sales of Silver (net)	8,42,29	..	..	..
Sales of Lease-Lend Silver (net)	..	..	..	..
Cash Balance Investment Account (net)	2,89,11	..	..	..
Profits on circulation of nickel, bronze and copper coins (net)	..	1,70,00	..	..
Discount Sinking Fund	2,65,23	..	96,00	..
Bonus on Loans	..	..	..	..
Other Suspense Accounts (net)	3,76,36	..	..	..
Cheques and Bills (net)	..	..	..	..
Departmental and Similar Accounts (net)	..	..	..	..
Miscellaneous	3,24,54	1,58,33	1,33,28	86,28
TOTAL	5,41,65,28	5,25,37,36	5,73,06,04	6,21,57,34
Carried over	7,33,31,59	7,20,65,06	7,85,28,54	8,47,87,69

C.—Statement of the Receipts and Disbursements of the Central Government—*concld.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
III.—PUBLIC ACCOUNT—*concld.*				
Brought forward	7,33,31,59	7,20,65,06	7,85,28,54	8,47,87,69
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders	2,50,82,57	2,66,00,00	2,66,00,00	2,80,50,00
Other Remittances	..	4,63,50	4,32,91	4,68,42
Accounts between Civil and other Departments—				
Exchange Accounts between Civil Posts and Telegraphs	22,45,42	50,74,93	25,01,11	46,58,12
Exchange Accounts between Civil and Defence Services	1,61,13,33	1,88,87,34	1,94,78,96	2,12,84,64
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchases and Sales of Silver	..	..	..	..
Other Transactions	1,79,27,51	1,31,37,13	1,76,80,37	1,58,12,41
TOTAL	6,13,68,83	6,41,62,90	6,66,93,35	7,02,73,59
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,62,88,07	1,77,88,22	2,23,44,04	1,92,11,57
RESERVE BANK DEPOSITS—				
RAILWAYS	—85,81,99	—1,08,39,29	—1,34,97,17	—1,52,25,26
TOTAL III—PUBLIC ACCOUNT DISBURSEMENTS	14,24,06,50	14,31,76,89	15,40,68,76	15,90,47,59
TOTAL—(I+III)	45,35,31,94	57,83,09,95	62,04,11,84	75,42,82,75
Closing Balance	51,04,17	41,04,94	50,55,14	55,21,43
GRAND TOTAL	45,86,36,11	58,24,14,89	62,54,66,98	75,98,04,18

GOVERNMENT OF INDIA

BUDGET

of the

Railway Revenue and Expenditure of the Central Government For 1958-59

(As Finally Adopted)

MINISTRY OF RAILWAYS;
New Delhi, the 22nd July 1958;

J. DAYAL,
Financial Commissioner for Railways.

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I.—Statement of the Revenue of the Central Government from Railways.

(In thousands of rupees).

HEADS OF REVENUE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase(+) Decrease(—) as compared with Budget, 1957-58	Budget Estimate, 1958-59
XV.—Indian Government Railways—					
Gross Receipts—					
Passenger Earnings—					
Upper	13,51,85	13,75,00	13,75,00	..	14,06,00
Third	102,80,54	105,25,00	107,15,00	1,90,00	110,67,00
Other Coaching Earnings .	21,09,37	24,90,00	25,25,00	35,00	24,65,00
Goods Earnings . . .	203,95,94	226,50,00	231,00,00	4,50,00	250,50,00
Sundry Other Earnings .	7,51,24	8,10,00	8,25,00	15,00	8,45,00
TOTAL EARNINGS . . .	348,88,94	378,50,00	385,40,00	6,90,00	408,33,00
Suspense	—1,32,10	—60,00	—1,00,00	—40,00	—85,00
Gross Receipts of Indian Government Railways . .	(a) 347,56,84	(b) 377,90,00	(c) 384,40,00	6,50,00	(d) 407,48,00
Deduct— Working Expenses of Indian Government Railways . .	278,93,73	288,85,46	304,16,00	15,30,54	313,34,65
Payment to Worked Lines—					
(*i*) Net earnings . . .	32,72	31,06	33,50	2,44	22,36
(*ii*) Rebate etc. . . .	..	..	..	..	..
Net Receipts . . .	68,30,39	88,73,48	79,90,50	—8,82,98	93,90,99
XVI.—Subsidised Companies—					
Government share of surplus profits etc.	1,66	3,58	5,20	1,62	2,82
XVI-A.—Miscellaneous Railway Receipts—					
Miscellaneous receipts .	35,14	12,59	9,53	—3,06	9,57
XVI-B.—Transfer from Railway Revenue Reserve Fund . .	..	..	..	..	..
TOTAL RECEIPTS . . .	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38

(*a*) Includes 57,65 earnings of worked lines.
(*b*) ,, 59,28 ,, ,, ,,
(*c*) ,, 56,55 ,, ,, ,,
(*d*) ,, 56,93 ,, ,, ,,

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government.

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease (—) as compared with Budget, 1957-58	Budget Estimate 1958-59
15. Indian Governmen ailways—					
Interest—					
On Government Capital-at-Charge	..	..	..	..	..
On Capital contributed by Indian States and Companies . .	..	..	..	..	..
TOTAL INTEREST . .	..	..	..	..	..
15. (C) Subsidised Companies—					
Land	8	..	1,63	1,63	..
Subsidy	6,32	11,25	10,80	—45	8,00
15.(D & E) Miscellaneous Railway Expenditure . . .	2,17,34	2,44,18	2,40,15	—4,03	2,12,15
15. (I) Open Line Works—Revenue	8,05,44	11,72,38	11,62,83	—9,55	14,90,84
15. (F) Appropriation to Railway Revenue Reserve Fund from Surplus	..	.	..	..	..
15. (H) Appropriation to Railway Development Fund from Surplus	20,21,65	30,83,11	21,65,63	—9,17,48	27,34,00
15. (J) Appropriation to Railway Depreciation Reserve Fund from Surplus . . .	..	..	..	..	..
15. (K) Dividend to General Revenues	38,16,36	43,78,73	44,24,19	45,46	49,58,39
TOTAL . . .	68,67,19	88,89,65	80,05,23	—8,84,42	94,03,38

3.—Distribution of Railway Surplus 1957-58 and 1958-59

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Surplus	20,21,65	30,83,11	21,65,63	27,34,00
Railway Development Fund .	20,21,65	30,83,11	21,65,63	27,34,00
Railway Revenue Reserve Fund .	..	..	..	..
Railway Depreciation Reserve Fund .	..	..	..	..

4.—Statement of the Capital Expenditure of the Central Government on Railways

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase(+) Decrease(—) as compared with Budget 1957-58	Budget Estimate, 1958-59
Railway Capital not met from Revenue—					
67.—Construction of State Railways—					
Open Line Works—					
Rolling Stock . . .	6,84,17	67,64,30	64,84,01	—2,80,29	56,65,64
Other Works . . .	8,45,05	38,97,38	29,25,85	—9,71,53	52,15,06
New Construction . . .	10,42,04	19,11,50	19,47,19	35,69	28,31,85
Suspense	18,64,29	10,77,35	22,41,63	11,64,28	8,91,97
Miscellaneous . . .	1,44,64	4,58,00	1,67,82	—2,90,18	2,50,00
Probable Savings . . .	..	—16,91,43	..	16,91,43	—9,70,93
TOTAL . . .	107,37,73	124,17,10	137,66,50	13,49,40	138,83,59
67C.—Discharge of Debentures.	..	..	80,47	80,47	..
TOTAL . . .	107,37,73	124,17,10	138,46,97	14,29,87	138,83,59

5.—Statement of the Capital Expenditure of the Central Government on Vizagapatam Port.

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1956-57 *	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Increase (+) Decrease (—) as compared wih Budget, 1957-58
Vizagapatam Harbour Capital met from Revenue :—				
73.—Capital Outlay on Vizagapatam Port—				
I. Land	4	..	..	..
II. Waterways	1	..	..	..
III. Docks and Berths .	9	..	..	..
IV. Broad Gauge Railways .	2	..	..	..
V. Ferries	..	..	..	..
VI. Manganese Facilities .	13	..	..	..
VII. Plant	35	..	..	..
VIII. Floating Crafts . .	1,04	..	..	..
IX. Buildings . . .	65	..	..	..
X. Oil Facilities . . .	14,73	..	..	..
XI. Suspense	—3,17	..	..	..
TOTAL . .	13,89	..	..	..

*Represents outlay to end of September, 1956 just prior to the transfer of control of the Port to the Ministry of Transport.

A.—RAILWAY DEPRECIATION RESERVE FUND

(In thousands of rupees)

	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59		Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Opening Balance . . .	* †97,91,94	103,08,05	103,13,97	93,72,16	Appropriation from Depreciation Reserve Fund .	43,67,68	49,73,56	58,94,40	69,55,25
Appropriation to Depreciation Reserve Fund .	(a) 45,63,35	(b) 45,68,37	(c) 46,25,42	(d) 45,81,44	Closing Balance . .	103,13,97	102,40,38	93,72,16	72,75,83
Interest on Depreciation Reserve Fund . .	3,26,36	3,37,52	3,27,17	2,77,48					
TOTAL . .	146,81,65	152,13,94	152,66,56	142,31,08	TOTAL . . .	146,81,65	152,13,94	152,66,56	142,31,08

*Includes 778·57 lakhs (provisional) on account of Indian State Railways taken over from 1-4-1950.

(*a*) Includes 63,35 debitable to Workshop Manufacture Suspense Account, Chitaranjan Locomotive Works, (48,03) and Integral Coach Factory (15,32).

(*b*) Includes 68,37 debitable to Workshop Manufacture Suspense Account, Chitaranjan Locomotive Works, (50,00) and Integral Coach Factory (18,37).

(*c*) Includes 1,25,42 debitable to Workshop Manufacture Suspense Account, Chitaranjan Locomotive Works**(1,06,23) and Integral Coach Factory (19,19).

(*d*) Includes 81,44 debitable to Workshop Manufacture Suspense Account, Chitaranjan, Locomotive Works (58,00) and Integral Coach Factory (23,44).

†Excludes 555·21 lakhs on account of :—

(*i*) Difference between *ad hoc* and revised balance on 15-8-47	276·03
(*ii*) Portion of *ex*-Mysore State Railway balance dropped without financial adjustment from 1-4-1950 .	161·73
(*iii*) Portion relating to old N.W. Railway dropped from the balance on 15-8-47	0·40
	438·16
(*iv*) Interest on above items previously credited to fund balance refunded to A.G.C.R. in 1956-57 . .	117·05
TOTAL	555·21

**Annual contribution	57,98
Arrear adjustment of Depreciation . .	48,25
TOTAL . .	1,06,23

B.—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees)

	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59		Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-88	Budget Estimate, 1958-59
Opening Balance . .	*(a) 46,54,89	(d) 48,34,02	(c) 48,07,40	(i) 49,69,75	Appropriation from Railway Revenue Reserve Fund . . .	..	..	..	..
Appropriation to Railway Revenue Reserve Fund from Surplus, etc. .	..	(g) 50	..	(j) —47					
Interest on Railway Revenue Reserve Fund .	(b) 1,52,51	(e) 1,61,27	(h) 1,62,35	(k) 1,68,27	Closing Balance . .	(c) 48,07,40	(f) 49,95,79	(i) 49,69,75	(f) 51,37,55
TOTAL . . .	48,07,40	49,95,79	49,69,75	51,37,55	TOTAL . . .	48,07,40	49,95,79	49,69,75	51,37,55

(a) Includes 50·66 lakhs on account of investment in shares of and loans to Branch Line Companies, and 201·10 lakhs (provisional) on account of Indian State Railways taken over from 1-4-1950.
(b) Includes 1·11 lakhs on account of interest and dividends, etc., on investments.
(c) Includes 56·60 lakhs on account of investments in shares of and loans to Branch Line Companies.
(d) Includes 58·16 lakhs on account of investments in shares of and loans to Branch line Companies.
(e) Includes 1·49 lakhs on account of interest and dividends, etc., on investments.
(f) Includes 43·97 lakhs on account of investments in shares of and loans to Branch Line Companies.
(g) Represents net gain expected to be realised on cancellation of investments in Kalighat Falta Railway Shares.
(h) Includes 1·59 lakhs on account of interest and dividends etc., on investments.
(i) Includes 47·56 lakhs on account of investments in shares of and loans to Branch Line Companies.
(j) Represents loss on cancellation of investments in shares of Kalighat Falta Railway.
(k) Includes 1·33 lakhs on account of interest and dividends, etc. on investments.

*Excludes 33·91 lakhs on account of following adjustments :—

(i) Difference between *ad hoc* and revised balance on 15-8-1947	6·99
(ii) 25% of *ex*-Scindia State Railway balance dropped without financial adjustments from 1-4-1950 . .	20·57
(iii) Interest on items (i) and (ii) above previously included in fund balance refunded to A.G.C.R. in 1956-57	6·35
TOTAL	33·91

C.—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59		Accounts, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Opening Balance . .	*†12,94,31	20,98,11	13,74,58	9,86,55	Appropriation from Development Fund . .	19,84,57	32,36,96	25,92,90	36,70,32
Appropriation to Development Fund from Surplus . . .	20,21,65	30,83,11	21,65,63	27,34,00	Closing Balance . .	13,74,58	20,11,77	9,86,55	67,80
Interest on Development Fund . . .	43,19	67,51	39,24	17,57					
TOTAL . .	33,59,15	52,48,73	35,79,45	37,38,12	TOTAL . . .	33,59,15	52,48,73	35,79,45	37,38,12

*Includes 55·63 lakhs (provisional) on account of Indian State Railways taken over from 1-4-1950.

†Excludes 2·30 lakhs on account of adjustment of the difference between *ad hoc* and revised balance on 15-8-1947 (1·76) and interest thereon refunded to A.G.C.R. in 1956-57 (·54).

Budget, 1958-59
Explanatory Memorandum

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PREFACE

The Explanatory Memorandum consists of five Sections. The first Section deals with the estimates of revenue and expenditure met from revenue. The second Section deals with the capital transactions. The third Section contains short notes on various important schemes included in the budget estimates. The fourth Section contains data and statistics of financial and economic interest. Section V contains a statement illustrating the income and super tax payable on different incomes.

Certain annexures have also been added at the end giving the progress of revenue and expenditure over a period of years, provision for development expenditure, details of the resources transferred from the Centre to the States, the distribution by Demands for Grants and Appropriation of the expenditure shown by heads of account in the budget for 1958-59, the distribution of the expenditure estimates for 1958-59 under broad categories, details of relief and rehabilitation schemes for displaced persons, the nature and purpose of the Special Development Fund and other foreign aid received by India, the Loans from the Governments of U.S.A., U.S.S.R. and West Germany and other loans from the International Bank for Reconstruction and Development, details of investments made by Government in industrial undertakings, progressive figures of the net receipts from Rupee Loans raised in India, the Small Savings including other Unfunded Debt and a Summary of the Ways and Means Budget.

The Introductory Notes explain the broad structure of the budget, the various types of transactions included in the different Sections and the relation between the annual financial statement laid before Parliament in accordance with the provisions of the Constitution and the explanations given in this Memorandum.

In this Memorandum the expressions "current year" and "next year" indicate the financial years 1957-58 and 1958-59, respectively. Sterling transactions in the current year have been converted at the rate of 1 sh. 5 31/32 d. on the basis of the actual rates prevailing upto January 1958. In accordance with the usual practice similar transactions included in the budget for 1958-59 have been converted into rupees at the standard rate of 1 sh. 6d. to the rupee.

The accounts for the year 1956-57 have not been finally closed. The actuals for that year shown in the Explanatory Memorandum are, therefore, provisional and subject to readjustment.

INTRODUCTORY NOTE

The "annual financial statement" laid before both Houses of Parliament, in accordance with the provisions of the Constitution, is the budget of the Central Government. This statement covers all the transactions of the Central Government during the current and the ensuing year. The budget of the Indian Railways is separately presented to Parliament and dealt with by it. But as the receipts and expenditure of the Railways are, nevertheless, the receipts and expenditure of the Government of India, the figures relating to these are also included in lump in the general budget.

2. The annual financial statement is prepared by major heads of account, prescribed in consultation with the Comptroller and Auditor General. These heads fall either under the Consolidated Fund of India or in the Public Account of the Government. In addition, the Government of India also maintain a Contingency Fund, set up by law, by Parliament, under Art. 267 (1) of the Constitution of India, with a balance of Rs. 15 crores, for making advances for urgent unforeseen expenditure, which are recouped to the Fund by debit to the Consolidated Fund of India, after obtaining Parliamentary sanction for such expenditure. The receipts and expenditure of Government fall under one or other of the major heads either in the Consolidated Fund or the Public Account in accordance with the prescribed rules of classification.

3. All revenues received by the Government of India, all loans raised by the Government by the issue of Treasury Bills, loans or ways and means advances and all monies received by Government in repayment of loans are credited to the Consolidated Fund and monies can be appropriated from that Fund only in accordance with law and for the purposes and in the manner provided in the Constitution. All other public monies received by or on behalf of the Government of India are credited to the Public Account. Government expenditure, including expenditure on loans and advances by Government, the repayment of loans, treasury bills and ways and means advances is met out of the Consolidated Fund. The estimates of expenditure have to show separately the sums required to meet expenditure which the Constitution has "charged" upon the Consolidated Fund and the sums from the Consolidated Fund required to meet other expenditure. The estimates have also to distinguish expenditure on revenue account from other expenditure. The latter cover expenditure on capital outlay, loans given by Government and expenditure on the repayment of loans, treasury bills and ways and means advances.

4. The estimates of expenditure to be met from the Consolidated Fund are presented to the Lok Sabha in the form of Demands for Grants, except to the extent to which such expenditure is "charged" on the Consolidated Fund and, in consequence, does not require a vote of the Lok Sabha. These demands generally cover the requirements of each individual administrative service. For example, a Ministry will have a demand for its own expenditure and one for the expenditure of each one of the various departments under its administrative control. Except in special circumstances, a demand does not cover more than one department or more than one head of account. The main exception to this is that all expenditure controlled by the head of each of the Centrally Administered areas is brought together in a single demand. There are also demands for miscellaneous purposes such as, payments of grants-in-aid, loans, etc., under the Ministry administering these grants and loans although there are no "departments" as such dealing with them. The "charged" expenditure under any head for which there is a voted demand is included in that demand, but is shown separately and is as explained earlier, not presented or vote. Where expenditure is wholly charged, a separate appropriation is included for it in the Book of Demands

5. Within each demand the estimates are arranged by suitable sub-heads, which indicate broadly the categories of expenditure included in the demand. So long as the total demand is not exceeded, Government (and authorities subordinate to them to whom powers may be delegated) can meet excesses under one sub-head from savings in another except that excess in "charged" expenditure cannot be met by savings under "voted" heads and *vice versa.*

6. One qualification must be remembered in considering the demands for grants. Although they are generally by major heads, the total of all the demands relating to a major head and the 'charged' expenditure provided under that head may not agree with the total shown in the annual financial statement. This is because certain recoveries are taken in the accounts in reduction of expenditure while in the demands, which when passed, provide the authority for incurring the particular item of expenditure, these recoveries are not taken into account. Broadly, these recoveries relate to inter-departmental adjustments or recoveries from other Governments, *ad hoc* funds, etc. Thus if the Union Excise Department does some work for Customs, the gross expenditure will appear in the demand under Union Excises while the accounts will show only the net expenditure (*i.e.*, gross expenditure less recovery from customs) under the major head 'Union Excise Duties'. Similarly, while the interest received on the capital advanced to commercial departments and State Governments are taken in the accounts in reduction of expenditure under the major head 'Interest', the appropriation for 'Interest' will show the actual sum which Government have to find for the payment of interest on and the servicing of the outstanding debt and other interest bearing obligations.

7. After the demands have been voted by the Lok Sabha, the monies required to meet the grants so voted and the expenditure 'charged' on the Consolidated Fund and included in the annual financial statement presented to Parliament are withdrawn from the Consolidated Fund under the authority of an Appropriation Act passed by Parliament.

8. For payments out of the Public Account, no demand is required to be presented to Parliament and the actual requirements are met from time to time as they srise. These payments are largely of the nature of banking transactions. State Provident Funds, Depreciation and other Reserve Funds of Government departments, Post Office Savings Banks, Post Office Cash and other Savings Certificates, Postal Life Insurance Fund, *ad hoc* funds created by Government by appropriation from revenue or otherwise, miscellaneous deposits and remittances are included in the Public Account. It is broadly correct to say that none of the monies lying in the Public Account belong to Government. They haveto be paid back at some time or the other to the public as in the case of State Provident Funds, Postal Savings Bank, Postal Cash Certificates, Life Insurance Funds, etc. or to be utilised by Government in an agreed manner as in the case of *ad hoc* funds set up for special purposes. It may be mentioned, to complete the picture, that the approval of Parliament is necessary to any appropriation from revenue to create a fund and unless the monies thus funded are made over to corporate bodies with separate legal status of their own, similar approval is required for incurring subsequent expenditure from such funds. When an amount is transferred to any such fund, it is shown as expenditure in the estimates of the year in which the transfer is made. Expenditure met from these funds is similarly shown in the estimates of the year in which it is incurred but an equivalent amount is transferred from the fund to meet this expenditure. Parliamentary control is thus secured on both the creation of such funds and the utilisation of the monies in them.

SECTION I

ESTIMATE OF REVENUE AND EXPENDITURE MET FROM REVENUE

SECTION

REVENUE

The budget for 1957-58 provided for a surplus on revenue account of Rs. On the basis of the current year's level of taxation the revenue for the coming year is crores leaving a deficit of Rs. 32·85 crores. After allowing for the effects of the reduced to Rs. 28·02 crores.

The estimated revenue and expenditure under each Major Head of Account Statement I below shows in broad categories a summary of the estimated revenue and has been distributed over the various Demands for Grants and Appropriations.

STATEMENT

SUMMARY OF REVENUE

REVENUE

Heads of Revenue	1956-57 Accounts	1957-58 Budget	1957-58 Revised	1958-59 Budget
Customs	1,73,23	1,67,60	1,83,00	1,70,00
Union Excise Duties	1,90,43	2,59,57	2,64,55	3,01,93 +2,83*
Corporation Tax	51,18	50,50	50,50	55,50
Taxes on Income	1,51,74	1,55,90	1,55,90	1,61,50
Estate Duty	2,11	2,52	2,52	2,50
Taxes on Wealth	..	12,50	9,00	12,50
Taxes on Railway Fares	..	7,00	4,84	9,22
Expenditure Tax	..	..	..	3,00
Gift Tax	..	..	..	2,00*
Opium	2,19	2,50	3,28	2,87
Interest	5,65	4,90	6,15	6,60
Civil Administration	14,28	43,21	56,79	44,24
Currency and Mint	24,29	36,02	36,84	36,62
Civil Works	2,62	2,95	2,78	2,87
Other Sources of Revenue	21,22	27,65	21,56	32,93
Posts & Telegraphs (Net contribution)	6,32	3,95	1,23	2,34
Railways—(Net contribution)	5,86	5,67	6,33	7,04
Deduct—Share of Income Tax payable to States	—58,75	—65,98	—73,43	—76,97
Deduct—Share of Estate Duty payable to States	—2,41	—2,43	—2,40	—2,38
Deduct—Share of Taxes on Railway Fares payable to States	..	—7,00	—4,81	—9,15
TOTAL—REVENUE	5,89,96	7,08,03	7,24,63	7,63,16 +4,83*
DEFICIT ON REVENUE ACCOUNT	..	..	..	32,85 —4,83*
TOTAL	5,89,96	7,08,03	7,24,63	7,96,01

*Effect of Finance and Gift Tax Acts.

I

BUDGET

35·74 crores. It is now expected that the surplus will be reduced to Rs. 5·05 crores.
estimated at Rs. 7,63·16 crores and the expenditure met from revenue at Rs. 7,96·01
Finance and Gift Tax Acts, 1958, it is estimated that this Revenue deficit will be

have been shown in statements A and B of the Budget of the Central Government.
expenditure. Annexure X shows how the estimated expenditure for the next year

I

AND EXPENDITURE

EXPENDITURE

(In lakhs of Rupees)

Heads of Expenditure	1956-57 Accounts	1957-58 Budget	1957-58 Revised	1958-59 Budget
Direct Demands on Revenue	36,32	46,00	62,97	94,45
Irrigation	3	10	10	13
Debt Services	39,06	35,00	37,44	40,00
Civil Administration	1,22,29	1,91,02	1,94,71	2,00,44
Currency and Mint	4,85	6,72	7,35	8,50
Civil Works	14,55	15,93	16,23	18,71
Miscellaneous	52,65	75,73	74,32	80,21
Defence Services (Net)	1,92,15	2,52,70	2,66,05	2,78,14
Contributions and Grants-in-aid to States	28,26	25,23	47,26	47,03
Extraordinary Items	10,40	23,86	13,15	28,40
TOTAL—EXPENDITURE	5,00,56	6,72,29	7,19,58	7,96,01
SURPLUS ON REVENUE ACCOUNT	89,40	35,74	5,05	..
TOTAL	5,89,96	7,08,03	7,24,63	7,96,01

NOTES ON REVENUE ESTIMATES

Customs.—A rough distribution of the Customs revenue expected to be collected during the current year and the next year is given below :

STATEMENT II

SEA CUSTOMS—IMPORTS

	1956-57 Accounts	1957-58 Budget	1957-58 Revised	1958-59 Budget
I.—*Revenue Duties.*				
Ale, beer, porter, cider and other fermented liquors	50	25	12	5
Spirits and liquors	2,00	80	1,30	60
Wines	9	3	4	3
Spices	1,40	1,20	1,00	60
Tobacco	2,10	1,42	1,40	80
Kerosene oil	6,80	6,20	9,30	9,30
Motor spirit	2,96	3,40	4,80	4,50
Oils—batching, fuel and lubricating	2,16	3,02	3,30	3,20
Motor cars, cycles, scooters, omnibuses, chassis, vans, lorries and parts thereof	14,82	13,19	14,50	13,50
Electric lighting bulbs	52	20	35	20
Wirless reception instruments and apparatus	80	70	1,00	65
Coal-tar dyes and coal-tar derivatives	1,86	1,68	2,30	1,60
Machinery	9,84	14,22	16,80	18,00
Iron and steel	5,24	6,50	6,50	6,00
Metal, other than iron and steel, silver and block tin	51	53	70	50
Railway plant and rolling stock	3,63	2,76	2,50	2,50
Wood-pulp, paper and stationery	3,58	2,02	3,80	3,00
Artificial silk yarn and thread	7,07	6,00	6,60	5,00
Yarn and other textile fabrics	1,24	1,03	1,05	80
Cinematograph films	59	45	60	40
Pneumatic rubber tyres and tubes	74	50	60	50
Toys, games and sports goods	20	7	20	10
Betelnuts	6,79	5,00	6,80	3,50
All other articles	52,49	51,64	57,31	55,31
TOTAL—Revenue Duties	1,27,93	1,22,81	1,42,87	1,30,74
II.—*Protective Duties*				
Heavy Chemicals	2,49	2,80	2,40	2,20
Iron and steel	18	17	10	9
Metals other than iron and steel	1,69	1,50	2,00	2,00
Raw silk	13	15	22	20
Silk yarn and thread	6	6	8	5
Silk fabrics	3	3	2	2
Artificial silk fabrics	1,31	11	26	20
Machinery other than Sewing Machines	1,95	2,50	2,00	2,00
Cycles (other than motor cycles) and parts thereof	2,52	1,50	1,70	1,00
All other articles	2,16	2,07	2,02	2,07
TOTAL—Protective Duties	12,52	10,89	10,80	9,83
III.—*Duties on American Disposals*				
Duties on American Disposals	7	..	9	..
TOTAL—IMPORTS	1,40,52	1,33,70	1,53,76	1,40,57

STATEMENT II—*contd.*

SEA CUSTOMS—EXPORTS

	1956-57 Accounts	1957-58 Budget	1957-58 Revised	1958-59 Budget
Jute—				
Raw / Manufactured	3	..	..	..
Raw Cotton	1,61	2,00	1,30	1,30
Cotton Waste	1,84	2,00	1,60	1,50
Cotton cloth and yarn	10	..	..	..
Manganese	1,89	3,00	4,00	4,00
Tea	20,47	19,00	17,00	18,00
Other agricultural produce	42	47	40	40
Mica	22	22	24	24
Oils and oil seeds	1,51	1,50	90	70
Rice	..	1	..	..
Coffee	5	5	3	3
Coir	6	5	5	5
Oil cakes	38	40	5	4
Lac	..	..	7*	7*
All other articles	9	..	..	..
TOTAL—EXPORTS	28,67	28,70	25,64	26,33
Land Customs	2,68	2,50	4,00	3,50
Air Customs	3,47	3,50	2,20	2,40
Miscellaneous	1,16	1,20	1,40	1,20
TOTAL—GROSS REVENUE	1,76,50	1,69,60	1,87,00	1,74,00
Deduct—REFUNDS	−3,27	−2,00	−4,00	−4,00
NET REVENUE	1,73,23	1,67,60	1,83,00	1,70,00

*Represents cess on Lac.

The import tariff is cast in the form of a commodity schedule with broad distinctions indicating the treatment to be accorded to various classes of articles. The general rate of import duty is now about 40 per cent. On certain non-essentiae items where it is felt that the consumer can well pay a higher rate or where there is sufficient indigenous production to meet our needs, higher rates of duty are imposed. Certain items are subject to protective duties while certain others are declared duty free or are subject to lower rates of duty in the interest of indigenous industry or the economy of the country. Some of the items which carry the heaviest rates of duty (ranging from 75 to over 200 per cent) are tobacco manufactures, wines and spirits, artificial silk goods, gold plated articles, fabrics containing gold or silver thread, socks and stocking of silk or art silk, boots and shoes, parasols and sun shades, gold and silver thread manufactures, silver thread and wire, motor cars, clocks and watches, etc. Some of the protected goods are automobiles, electric conductors, some chemicals, certain coal tar dyes, matches, silk and art silk fabrics, aluminium, cycles, certain items of machinery and parts, ball bearings, titanium dioxide, power and distribution transformers, for which the rates of duty are fixed at such amounts and for such periods as are found necessary having regard to the recommendations of the Tariff Commission. Grains and pulses and a number of raw materials for industry are on the free list, while specially low but varying rates of tax cover a large number of essential items like fuel oils, batching oils, lubricants, raw films, machinery, etc.

In the Finance (No. 2) Act, 1957, the pattern of customs duties, which had become complex, has been rationalised. A number of alternative specific duties which had either become ineffective or unnecessary have been dropped.

Export duties cover a number of items of which tea is now the most important. Duty on tea is levied on a slab system depending upon the price notified by Government from time to time in the light of market trends. Other items on which export duties are now leviable include cotton, cotton waste, manganese ore, some oils, oilseeds and oilcakes.

The Government continue to keep under constant review the effect of export duties on the country's export trade and during the current financial year duties have been altered as and when necessary in order to improve the competitive position of Indian products in world markets. Thus for instance, duty on certain vegetable oils, oilcakes and certain varieties of raw cotton was abolished. Appropriate relief was also allowed in the rates of export duties on soft cotton waste and manganese ore.

On the trend of actuals up to the end of January, 1958, the total Customs revenue for the year is now estimated at Rs. 183 crores against Rs. 167·6 crores taken in the original Budget. The increase is mainly due to larger imports of certain commodities such as kerosene oil, aviation spirit, dyes derived from coal-tar and coal-tar derivatives, machinery, art silk yarn and thread and motor vehicles and parts thereof. The increase in revenue from import duties has to some extent been off-set by a short fall in revenue from export duties on tea, raw cotton and cotton waste.

The next year's estimate of Rs. 170 crores is lower by Rs. 13 crores. This reflects the cuts made in the import programme to conserve foreign exchange affecting a large variety of consumer goods.

STATEMENT III

Union Excise Duties.—Following are the details of revenue from Union Excise Duties :—

	1956-57 Accounts	1957-58 Budget	1957-58 Revised	1958-59 Budget
Basic Excise Duties.				
Motor Spirit	25,23	32,50	29,60	32,00
Kerosene	3,29	3,00	3,30	3,45
Sugar	20,88	37,70	37,62	42,00
Matches	10,05	15,41	14,30	15,33
Steel Ingots	64	5,65	5,93	6,66
Tyres & Tubes	6,15	5,70	6,30	6,30
Tobacco	38,43	40,98	42,46	42,64
Vegetable Products	4,35	3,50	4,00	3,96
Coffee	1,20	1,20	1,25	1,30
Tea	3,19	4,00	4,40	4,40
Cotton Cloth	51,86	72,00	61,49	59,39
Artificial Silk	1,03	80	80	80
Cement	2,55	8,50	9,96	13,60
Footwear	99	90	98	98
Soap	1,85	1,60	1,65	1,65
Woollen Fabrics	61	60	60	60
Electric Fans	32	28	40	45
Electric Bulbs	28	30	30	30
Electric Batteries	89	84	81	81
Paper	3,27	5,15	5,00	5,20
Paints and Varnishes	1,17	1,10	1,10	1,10
Vegetable non-essential Oils	5,30	7,77	9,25	9,50
Refined Diesel Oils and Vapourising Oils	2,53	4,65	7,00	7,60
Industrial Fuel Oils— Diesel Oil, Furnace Oil	3,03	2,71	2,80	2,86
Rayon and Synthetic fibres and yarn	7	90	95	90
Motor Cars	5	80	32	32
Coal Cess	2,18	2,45	2,45	2,45
Cess on Copra	..	8	7	7
Cess on oils and oil-seeds	15	20	20	15
Miscellaneous	1,21	55	51	51
TOTAL—GROSS REVENUE	1,92,75	2,61,82	2,55,80	2,67,28
Deduct—REFUNDS AND DRAWBACKS	—2,32	—2,25	—3,35	—4,00
TOTAL—NET REVENUE	1,90,43	2,59,57	2,52,45	2,63,28
Additional Excise Duties				
Sugar	..	..	3,55	12,18
Textiles	..	..	6,39	21,90
Tobacco	..	..	2,16	7,40
TOTAL	..	..	12,10	41,48
GRAND TOTAL—UNION EXCISE DUTIES	1,90,43	2,59,57	2,64,55	3,04,76

The revenue from Union Excise Duties excluding Additional Excise Duties levied in December 1957 in replacement of State Sales Tax is expected to be Rs. 252·45 crores this year against the original budget of Rs. 259·57 crores, resulting in a shortfall of Rs. 7·12 crores. This is a net result of variation under the various items, of which mention may be made of a shortfall of Rs. 10·51 crores under cotton cloth, mainly due to lesser off-take of finer varieties and relief given in December, 1957 in the duty on medium cloth, a decrease of Rs. 2·9 crores under motor spirit due mainly to the preference for vehicles consuming diesel oil and late coming into operation of Caltex Refinery, an increase of Rs. 2·35 crores under refined diesel oils and vapourising oils, an increase of Rs. 1·48 crores each under tobacco and vegetable non-essential oils and an increase of Rs. 1·46 crores under cement due to larger production.

Excluding Additional Excise Duties the estimated collections of basic Union Excises next year have been placed at Rs. 263·28 crores yielding a net increase of Rs. 10·83 crores over the revised estimates. The estimates take into account whole year's effect of the increases in duty imposed in May 1957 on sugar, tobacco, matches, motor spirit, cement, steel ingots, diesel oil, vegetable oils, paper, etc., partly counter balanced by the full year's effect of the relief given this year in duties on medium cloth. The estimates also include Rs. 2·83 crores on account of changes in excise duties under the Finance Act. The net additional revenue of Rs. 2·83 crores is comprised of Rs. 2·24 crores from the enhanced duty on cement, Rs. 83 lakhs on cloth counterbalanced by a shortfall of Rs. 24 lakhs on account of reduction in the excise duty on vegetable products.

The above estimates include :—

(a) Rs. 6·59 crores in both the years from the special cess of 3 pies per square yard on mill made cloth, for the benefit of handloom and khadi industries ;

(b) Rs. 2·45 crores in both the years from the Coal Mines Labour Welfare Cess and the Coal Mines Safety Stowing Cess. The revenue from these cesses does not accrue to Government; the Labour Welfare Cess is transferred to an *ad hoc* Fund and the Coal Mines Safety and Conservation Cess is paid to the Coal Board and provision for both these payments is made in the expenditure estimates ; and

(c) Rs. 7 lakhs in both the years on account of cess on copra, and Rs. 20 lakhs this year and Rs. 15 lakhs next year on account of cess on oils and oilseeds for payment to the Indian Central Coconut Committee and the Indian Central Oilseeds Committee respectively.

The current Budget provided for payment to States of a sum of Rs. 23·37 crores being 40 per cent of the net proceeds of Excise Duties on matches, tobacco and vegetable products as their share under the provisions of the Union Duties of Excise (Distribution) Act, 1953 as amended in December, 1956 in the light of the interim recommendations made by the Second Finance Commission. The Commission's final recommendations became available at the end of September, 1957. On the basis of these recommendations which have been accepted by the Government, the Union Duties of Excise (Distribution) Act, 1957 was enacted to provide for the payment to the States, every year from 1957-58, of 25 per cent of the next proceeds of Union Excise Duties on matches, tobacco,

sugar, vegetables products, coffee, tea, paper and vegetable non-essential oils in the following manner :—

State	*Per cent*
Andhra Pradesh	9·38
Assam	3·46
Bihar	10·57
Bombay	12·17
Kerala	3·84
Madhya Pradesh	7·46
Madras	7·56
Mysore	6·52
Orissa	4·46
Punjab	4·59
Rajasthan	4·71
Uttar Pradesh	15·94
West Bengal	7·59
Jammu and Kashmir	1·75
	100·00

The share of the Union Excise Duties payable to the States is estimated at Rs. 28·71 crores this year (including arrears of Rs. 73 lakhs) and at Rs. 29·50 crores next year. These payments are being provided for on the expenditure side under the Demand for Union Excise Duties. The share of Union Excise Duties payable to States has been worked out as follows :—

	Revised 1957-58	Budget 1958-59
Total gross collections of divisible commodities	1,18,28	1,24,33
Deduct—Refunds	—82	—82
Deduct—Cost of collection	—5,52	—5,51
Net proceeds of divisible commodities	1,11,94	1,18,00
Amount payable to States (25%)	27,98	29,50
Adjustments on account of over/short payments in respect of previous years	+78*	..
	28,76	29,50

*(Out of this only Rs. 73 lakhs are payable to States after excluding the arrears due to the former Mysore, Saurashtra and Travancore Cochin States which received grants-in-aid under the federal financial integration arrangements, in lieu of their shares of divisible taxes.)

The amount payable to each State has been shown in Statement IV.

Additional Duties of Excise.—The Additional Duties of Excise (Goods of Special Importance) Act, 1957 provides for the levy and collection of additional duties on sugar, tobacco, cotton fabrics, rayon or artificial silk fabrics and woollen fabrics produced or manufactured in India. These duties are in addition to the duties payable under the Central Excise and Salt Act, 1944 or other law for the time being in force and replace the sales tax levied by the State Governments on these commodities.

The net collections in the current year and the next on account of these commodities are estimated at Rs. 11·63 crores and Rs. 39·87 crores respectively as detailed below :—

Commodity	Revised Estimates, 1957-58			Budget Estimates, 1958-59		
	Gross collections	Refunds & cost of collection	Net proceeds	Gross collections	Refunds & cost of collection	Net proceeds
Sugar	3,55	—14	3,41	12,18	—47	11,71
Textiles	6,39	—25	6,14	21,90	—85	21,05
Tobacco	2,16	—8	2,08	7,40	—29	7,11
TOTAL	12,10	—47	11,63	41,48	—1,61	39,87

The net proceeds from these commodities are distributable in accordance with the provisions of Section 4 of the Act, read with the Second Schedule thereto. The amount payable to States during the current year and the next works out to Rs. 11·51 crores and Rs. 39·47 crores respectively. The amount payable to each State has been shown in Statement IV.

Taxes on Income including Corporation Tax.—Broad details of revenue are—

	1956-57 Accounts	1957-58 Budget	1957-58 Revised	1958-59 Budget
Corporation Tax—				
Ordinary Collections	50,93	50,00	50,05	55,00
Surcharge	3	..	..	..
Excess Profits Tax	19	30	30	35
Business Profits Tax	3	20	15	15
	51,18	50,50	50,50	55,50
Taxes on Income other than Corporation Tax—				
Ordinary Collections	1,45,52	1,45,50	1,45,40	1,50,85
Surcharge (Central)	5,49	5,65	5,65	5,75
Surcharge (Special)	..	4,35	4,35	4,50
Excess Profits Tax	55	30	40	30
Business Profits Tax	18	10	10	10
	1,51,74	1,55,90	1,55,90	1,61,50
GRAND TOTAL—CORPORATION TAX AND TAXES ON INCOME	2,02,92	2,06,40	2,06,40	2,17,00

While the Corporation Tax accrues in its entirety to the Centre, the net proceeds of income-tax, except the tax attributable to Central emoluments and Union territories and any Central surcharges are divisible between the Centre and the States.

Current year's Budget provided for payment to States of a sum of Rs. 65·98 crores being 55 per cent. of the net proceeds of divisible taxes on income as the States share under the provisions of Constitution (Distribution of Revenues) Order, 1957,

issued following the interim recommendations of the Second Finance Commission. As stated earlier final recommendations of the Commission were received during the course of the year and accepted by the Government of India. The Constitution (Distribution of Revenues) No. 2 Order, 1957 issued as a result of these recommendations accordingly provides that in each of the financial years commencing on and after the 1st April, 1957, sixty per cent. of the net proceeds of these taxes on income exclusive of the proceeds attributable to Union territories or the taxes payable in respect of Union emoluments shall be assigned to the States and distributed among them as follows :—

State	Per cent
Andhra Pradesh	8·12
Assam	2·44
Bihar	9·94
Bombay	15·97
Kerala	3·64
Madhya Pradesh	6·72
Madras	8·40
Mysore	5·14
Orissa	3·73
Punjab	4·24
Rajasthan	4·09
Uttar Pradesh	16·36
West Bengal	10·08
Jammu and Kashmir	1·13
	100·00

The share of income-tax revenue payable to the States has been worked out as follows :—

	1957-58 Budget	1957-58 Revised	1958-59 Budget
Total taxes on income other than Corporation tax excluding Central surcharge, Miscellaneous receipts and Advance payments	1,32,95	1,32,95	1,37,35
Deduct—Portion attributable to Central emoluments	—2,72	—3,82	—3,86
Deduct—Cost of collection	—3,28	—3,54	—3,91
Net :	1,26,95	1,25,59	1,29,58
Portion attributable to Union territories (1%)	—1,27	—1,26	—1,30
Total divisible Pool	1,25,68	1,24,33	1,28,28
Amount payable to States	69,11	74,60	76,97
Adjustment on account of over-payment in respect of previous years	—3,13	—1,17	..
Amount payable to States	65,98	73,43	76,97

The amount payable to each State has been shown in Statement IV.

Estate Duty.—The entire net proceeds of Estate Duty on agricultural land are assigned to the States from which it is collected under the provisions of the Estate Duty Act, 1953. In respect of the duty on property other than agricultural land, the Second Finance Commission were asked to recommend the principles which should govern its distribution amongst the States under Article 269 of the Constitution. The recommendations made by the Commission, which have been accepted by the Government, are embodied in the provisions of the 'Estate Duty and Tax on Railway

Passenger Fares (Distribution) Act, 1957.' The Act provides that the net proceeds of the estate duty levied and collected during a financial year shall, after deducting a sum equal to one per cent as being attributable to Union territories, be distributed amongst the States as under :—

(a) The amount attributable to immovable property shall be distributed amongst the States in proportion to the gross value of the immovable property situated in those States.

(b) The balance shall be distributed amongst the States as follows :—

State	Per cent
Andhra Pradesh	8·76
Assam	2·53
Bihar	10·86
Bombay	13·52
Kerala	3·79
Madhya Pradesh	7·30
Madras	8·40
Mysore	5·43
Orissa	4·10
Punjab	4·52
Rajasthan	4·47
Uttar Pradesh	17·71
West Bengal	7·37
Jammu and Kashmir	1·24
	100·00

The net proceeds of estate duty in respect of the financial years 1953-54 to 1956-57 shall be distributed in the same manner as provided for the distribution of the net proceeds of taxes on income under clause (2) of Article 270 of the Constitution.

The share of the States has been worked out as under :—

	1957-58 Revised	1958-59 Budget
	(Rs. in thousands)	
Agricultural land—		
Total gross collections	9,50	10,00
Deduct—Cost of collection	—37	—40
Deduct—Net proceeds in respect of Union territories	—3	—8
Net amount to be distributed amongst States	9,10	9,52
Property other than Agricultural land—		
Total gross collections	2,42,50	2,40,00
Deduct—Cost of collection	—9,51	—9,50
Net proceeds	2,32,99	2,30,50
Less—Portion attributable to Union territories (1%)	—2,33	—2,30
Net proceeds to be distributed amongst States	2,30,66	2,28,20
Amount attributable to immovable property	83,85	83,60
The balance of the net distributable proceeds	1,46,81	1,44,60

The revised estimates and the budget estimates for the next year in respect of estate duty have been assumed at Rs. 2·52 crores and Rs. 2·50 crores respectively. Of this the share payable to the States as worked out above comes to Rs. 2·40 crores and Rs. 2·38 crores respectively.

The amount payable to each State has been shown in Statement IV.

Taxes on Wealth.—The Wealth Tax Act, 1957, enacted this year provides for the levy of a tax with effect from 1st April, 1957 on the net wealth of every individual, Hindu undivided family and company at the rates specified below :—

(*a*) *Individuals*:	
(*i*) On the first Rs. 2 lakhs of net wealth	Nil
(*ii*) On the next Rs. 10 lakhs of net wealth	½%
(*iii*) On the next Rs. 10 lakhs of net wealth	1%
(*iv*) On the balance of net wealth	1½%
(*b*) *Hindu undivided family* :	
(*i*) On the first Rs. 4 lakhs of net wealth	Nil
(*ii*) On the next Rs. 9 lakhs of net wealth	½%
(*iii*) On the next Rs. 10 lakhs of net wealth	1%
(*iv*) On the balance of net wealth	1½%
(*c*) *Company*:	
(*i*) On the first 5 lakhs of net wealth	Nil
(*ii*) On the balance of net wealth	½%

The revenue from the tax is estimated at Rs. 9 crores in the current year and Rs. 12·5 crores in the next year.

Taxes on Railway Passenger Fares.—The Railway Passenger Fares Act, 1957, enacted by Parliament this year provides for the levy of a tax on railway fares paid by passengers at the following rates :—

Description of Traffic	Rate of tax
1. Passengers travelling by railway on season tickets	Nil
2. Passengers travelling by railway for distances upto 15 miles (inclusive)	Nil.
3. Passengers travelling by railway for distances from 16 miles to 30 miles (inclusive)	5% of fare.
4. Passengers travelling by railway for distances from 31 miles to 500 miles (inclusive)	15% of fare.
5. Passengers travelling by railway for distances over 500 miles	10% of fare.
6. Passengers travelling on mileage coupons	12½% of the cost of the coupons.

The tax was imposed with effect from 15th September, 1957. The Estate Duty and Taxes on Railway Passenger Fares (Distribution) Act, 1957 embodies the recommendations made by the Second Finance Commission regarding the distribution of the net proceeds of this tax. Under Section 5 of this Act the net proceeds, in any financial year, of the tax on railway passenger fares, after deducting a sum equal to ¼ per cent of the said proceeds as being attributable to Union Territories is to be distributed amongst the States as follows :—

State	Per cent
Andhra Pradesh	8·86
Assam	2·71
Bihar	9·39
Bombay	16·28
Kerala	1·81
Madhya Pradesh	8·31
Madras	6·46
Mysore	4·45
Orissa	1·78
Punjab	8·11
Rajasthan	6·77
Uttar Pradesh	18·76
West Bengal	6·31
	100·00

The revised estimates and the next budget assume credit of Rs. 4·84 crores and Rs. 9·22 crores as tax on railway fares, of which the share payable to States would be Rs. 4·81 crores and Rs. 9·15 crores respectively as worked out below :—

	1957-58 Revised	1958-59 Budget
Total—Gross collections	4,84	9,22
Deduct—Cost of collection	—2	—5
	4,82	9,17
Deduct—Portion attributable to Union territories (1/4%)	—1	—2
Net amount payable to States	4,81	9,15

The amount payable to each State has been shown in Statement IV.

Expenditure Tax.—The Expenditure Tax Act, 1957 provides for the levy with effect from 1st April, 1958 of an expenditure tax at the rates indicated below on the expenditure incurred by any individual, or the Hindu undivided family in the previous year provided the net income of the assessee after deduction of the other taxes payable on that income exceeds Rs. 36,000.

In the case of every individual and Hindu undivided family, on that portion of the taxable expenditure :—

(*i*) which does not exceed Rs. 10,000 . . . . . 10%
(*ii*) which exceeds Rs. 10,000 but does not exceed Rs. 20,000 . 20%
(*iii*) which exceeds Rs. 20,000 but does not exceed Rs. 30,000 . 40%
(*iv*) which exceeds Rs. 30,000 but does not exceed Rs. 40,000 60%
(*v*) which exceeds Rs. 40,000 but does not exceed Rs. 50,000 . 80%
(*vi*) which exceeds Rs. 50,000 . . . . . 100%

The budget estimates for the next year assume a credit of Rs. 3 crores on account of Expenditure Tax.

STATEMENT IV

Statement showing the State-wise distribution of Income-tax, Union Excise Duties, Additional Excise Duties, Estate Duty and Tax on Railway Passenger Fares.

State	Budget Estimates, 1957-58					Revised Estimates, 1957-58					Budget Estimates 1958-59				
	Income tax	U.E. Duties	Additional Excise Duties	Estate Duty	Tax on Rly. Passenger Fares	Income tax	U.E. Duties	Additional Excise Duties	Estate Duty	Tax on Rly. Passenger Fares	Income tax	U.E. Duties	Additional Excise Duties	Estate Duty	Tax on Rly. Passenger Fares
Andhra Pradesh	5,27	2,10	..	19	62	5,95	2,70	83	18	43	6,25	2,77	2,84	18	81
Assam . .	1,47	61	..	6	19	1,79	99	30	4	13	1,88	1,02	1,02	4	25
Bihar . .	6,12	2,58	..	22	66	7,29	3,04	65	24	45	7,65	3,12	1,87	19	86
Bombay . .	12,47	3,17	..	45	114	11,69	3,50	2,99	41	78	12,29	3,59	10,84	41	1,49
Kerala . .	2,44	88	..	10	13	2,74	1,09	34	15	9	2,80	1,13	1,15	14	16
Madhya Pradesh	3,35	1,45	..	13	58	4,94	2,14	62	12	40	5,17	2,20	2,03	12	76
Madras . .	5,24	2,00	..	21	45	6,17	2,18	96	28	31	6,47	2,23	3,36	30	59
Mysore . .	3,97	1,26	..	14	31	3,83	1,85	42	11	21	3,96	1,92	1,34	11	41
Orissa . .	2,27	98	..	8	13	2,73	1,28	31	7	9	2,87	1,32	1,04	7	16
Punjab . .	2,60	1,07	..	11	57	3,11	1,32	63	9	39	3,26	1,35	2,16	9	74
Rajasthan . .	2,28	1,02	..	9	47	3,00	1,35	37	9	33	3,15	1,39	1,19	9	62
Uttar Pradesh .	10,25	4,22	..	36	1,31	11,99	4,60	1,97	29	90	12,59	4,70	6,79	29	1,72
West Bengal .	7,55	1,75	..	27	44	7,36	2,18	97	31	30	7,76	2,24	3,34	33	58
Jammu & Kashmir	70	28	..	2	..	84	49	15	2	..	87	52	50	2	..
TOTAL .	65,98	23,37	..	2,43	7,00	73,43	28,71	11,51	2,40	4,81	76,97	29,50	39,47	2,38	9,15

Opium.—The details of opium revenue are as follows :—

STATEMENT V

	1956-57 Accounts	1957-58 Budget	1957-58 Revised	1958-59 Budget
Sale in India—				
Sale of Raw Opium to State Governments	28·85	32.03	18·15	12·07
Sale of medical opium	3·45	3·25	3·29	3·30
Sale of alkaloids of opium	15·81	14·50	20·13	20·15
Sale to countries outside India—				
Sale of Raw Opium	1,68·15	1,95·85	2,82·07	2,47·13
Sale of alkaloids of opium	2·00	3·50	3·50	3·50
Miscellaneous	1·08	0·91	0·88	0·85
TOTAL	2,19·34	2,50·04	3,28·02	2,87·00
Deduct—Refunds	—0·03	—0·04	—0·02	..
Net Revenue	2,19·31	2,50·00	3,28·00	2,87·00

INTEREST RECEIPTS : The estimates are as follows: —

	1957-58 Budget	1957-58 Revised	1958-59 Budget
India	4,65	5,86	6,41
England	25	29	19
TOTAL	4,90	6,15	6,60

The receipts in India are mostly on account of loans and advances made by the Central Government to Government servants local bodies and private concerns including State statutory undertakings like the Sindri Fertilizers and Chemicals Ltd., etc., while those in England represent mainly the interest earnings of the Silver Redemption Reserve Investments. The estimates are based on the trend of actuals and the latest information available. The recoveries of interest on loans advanced to State Governments are adjusted as in reduction of expenditure for which credit is assumed under the Interest expenditure estimates.

The increase in the Revised is mainly on account of (i) interest on the loan of Rs. 10 crores advanced to Burma this year, (ii) increased income from the temporary investment of the balances of India Supply Mission in U.S.A. following the general increase in the interest rates, and (iii) recovery of arrears of interest from Indian Airlines Corporation, Industrial Finance Corporation and Delhi Road Transport Authority. Further increase next year is on account of realisation of interest on loan to Burma including the balance of loan of Rs. 10 crores still to be drawn before the end of September, 1959 ; and normal increases on account of larger disbursement of loans.

Civil Administration.—The Revenue is spread over a number of heads, *i.e.*, details of which are given below :—

	1957-58 Budget	1957-58 Revised	1958-59 Budget
Administration of Justice	9	10	10
Jails and Convict Settlements	1	1	1
Police	23	37	35
Ports and Pilotage	49	40	41
Mercantile Marine	..	..	9
Light Houses and Light Ships	43	49	48
Education	36	39	32
Medical	31	26	29
Public Health	13	21	22
Agriculture	68	80	79
Veterinary	19	16	18
Cooperation	..	2	2
Industries and Supplies	34,53	47,28	34,81
Aviation	84	96	90
Broadcasting	1,57	1,73	1,78
Miscellaneous Departments	3,35	3,61	3,49
TOTAL	43,21	56,79	44,24

The increase in the Revised is due to the transactions relating to Steel Equalisation Fund which are being passed through the Consolidated Fund of India from the current financial year.

Under the Iron and Steel Control Order, 1941, issued under the Defence of India Rules, powers were obtained to control the production, distribution and prices of iron and steel. The provisions of the Order continue to be in force by virtue of the Essential Commodities Act, 1955. The Steel Equalisation Fund was created in February 1943, under the said Order for the purpose of fixing a uniform selling price of iron and steel in India, by equalising freight, the concessional rates payable to the producers or other disadvantages. The Fund was built up by recovering from the main steel producers the difference between the prescribed sale price for the public (known as equalised price) and the price they would charge to Government on the basis of their cost of production (retention price). The scope of the Fund was widened from time to time and it is at present utilised mainly for the following purposes :—

(1) subsidising imported iron and steel by paying the difference in price between imported and indigenous steel, so that the former could also be sold at the indigenous price ;

(2) granting repayable advances to main producers for the approved development and expansion schemes ; and

(3) fixation of uniform prices for sale of iron and steel at the rail heads.

As a result of the decision to route the transactions of this Fund through the Consolidated Fund of India with effect from the 1st April, 1957, the surcharge recoverable from the manufacturers representing the difference between equalised and retention prices would first be credited to the Consolidated Fund as Revenue receipts and an equivalent amount transferred to the Fund by obtaining the vote of the Parliament on the expenditure side. Similarly expenditure from the Fund by way of subsidies or loans etc., will first be provided for in the relevant Demands but simultaneously shown as recovered from the Fund.

The current year's estimates assumed a credit of Rs. 27·92 crores consisting of Rs. 9·39 crores, being the estimated cash balance of the Fund on the 31st March, 1957, and Rs. 18·53 crores as the estimated revenue from surcharge on iron and steel during the year. It is now estimated that receipts on account of this Fund would be Rs. 40·74 crores this year and Rs. 19·47 crores next year. The increase in the Revised is due to (i) unanticipated increase of Rs. 8·38 crores in the closing balance on 31st March, 1957 on account of higher receipts of surcharge and lesser payments on import subsidy in 1956-57, and (ii) estimated increase of Rs. 4·44 crores in the receipts of the current year due to increase in steel prices from 16th May, 1957 and more realization of outstanding from main producers.

The receipts of Rs. 34·8 crores assumed against Industries and Supplies next year include a credit of Rs. 7·34 crores as the estimated profit of State Trading Corporation on cement transactions.

Currency and Mint.—The main items that comprise Currency and Mint receipts are :—

	1957-58 Budget	1957-58 Revised	1958-59 Budget
Currency :			
1. Surplus profits of the Reserve Bank . . .	30,00,·00	30,00·14	30,00·00
2. Value of one rupee note forms	1,07·96	99·85	99·85
3. Value of unclaimed currency notes, etc. . . .	1·88	27·60	1·65
4. Other receipts from the Currency Note Press . .	1,83·67	1,53·89	1,35·45
TOTAL . . .	32,93·51	32,81·48	32,36·95
Mint			
1. Profits from circulation of small coins . . .	3,00·00	3,50·00	4,00·00
2. Miscellaneous Mint receipts	8·80	52·53	25·31
TOTAL . . .	3,08·80	4,02·53	4,25·31

Surplus profits of the Reserve Bank transferable to Government next year remain unchanged at Rs. 30 crores. The increase in the Revised under "Value of unclaimed currency notes, etc." is on account of the credit taken to Revenue of the demonetized high denomination currency notes. Following the amendment of the Reserve Bank of India Act, 1934 , in 1957, these notes are no longer assumed to be in circulation. Consequently credit has been taken for the demonetized notes issued by the Government of India prior to the establishment of the Reserve Bank. The credit in respect of such notes issued subsequently accrues to the Reserve Bank of India.

Prior to 1956-57, the transactions relating to the coinage operations of the Government of India were kept in the Public Account outside the Consolidated Fund of India. The net profit on coins passed into circulation during the year was transferred to the suspense head and credit for a fixed sum of Rs.45 lakhs plus the actual mint expenditure during the year was taken as mint receipts in the Revenue Budget by debit to the suspense head. In order to bring the transactions within the Consolidated Fund of India the accounting procedure was changed with effect from 1st April, 1956. The expenditure on purchase and

acquisition of metal for coinage is charged to Capital, and the loss on destruction of coins returned as unfit for re-issue is debited to the Revenue Budget. The profit on coins put into circulation during the year representing the difference between their face value and the cost of their metallic contents is adjusted in the Revenue Budget as Mint Receipts.

As against the budget provision of Rs. 3 crores the profit from circulation of small coins is now estimated at Rs. 3·5 crores this year and Rs. 4 crores next year.

Other Sources of Revenue.—The principal heads that come under this description are Land Revenue, State Excise Duties, Stamps, Forest, Registration, Taxes on Vehicles, Sales Tax and Other Taxes, Superannuation, Stationery and Printing, Miscellaneous and Extraordinary Receipts. Details by the major heads are :—

	1957-58 Budget	1957-58 Revised	1958-59 Budget
Land Revenue	58	52	52
State Excise Duties	1,39	1,74	1,66
Stamps	2,41	2,82	2,93
Forest	2,23	2,47	2,57
Registration	9	8	9
Taxes on Vehicles	31	34	34
Sales Tax	..	..	1,80
Other Taxes and Duties	2,23	3,65	49
Irrigation Works	2	..	1
Miscellaneous adjustments between the Centre and States	3	9	6
Receipts in aid of superannuation	73	75	73
Stationery and Printing	36	31	29
Receipts from Road Transport Schemes	11	—1	—4
Miscellaneous	6,61	9,82	7,47
Extraordinary Receipts	10,54	..	14,00
Receipts on account of Community Development Projects, National Extension Service, etc.	..	1	1
TOTAL	27,64	21,56	32,93

The revenue accruing from Sales Tax has hitherto been included under "Other Taxes and Duties". In view of the increasing importance of this source of revenue, it has been decided to record these receipts under a separate major head "Sales Tax" with effect from the next financial year. This explains mainly the variation between the Revised and the Budget Estimates under "Other Taxes and Duties".

The Revised Estimates under "Miscellaneous" exceeds the Budget Estimates by Rs. 3·21 crores, mainly on account of transfer to Revenue of the credit balance of the former Part C States with Legislatures (Rs. 1·22 crores), increased revenue receipts of Pondicherry (Rs. 87 lakhs), larger receipts from the sale proceeds of acquired evacuee property, (Rs 50 lakhs) and other miscellaneous income from evacuee property (Rs. 62 lakhs). The sale proceeds of evacuee property next year have been assumed at Rs. 2·5 crores. The shortfall of Rs.50 lakhs on this account combined with the absence of special item of Rs. 1·22 crores referred to above accounts for the decline in the Budget next year.

Current Budget included a sum of Rs. 10 crores as grant from the U.S.A under Public Law 480 and Rs. 54 lakhs on account of the 1st instalment of the contribution of £ 1 million from New Zealand for the Medical Institute. No grant from U.S.A. under P.L. 480 is expected to be received this year. The last instalment of the contribution from New Zealand was received during the year 1956-57 itself. No credit has, therefore, been assumed in the Revised Estimates under Extraordinary Receipts, but Budget next year includes Rs. 14 crores as grant from U.S.A. under P.L. 480.

Posts and Telegraphs.—The table below indicates how the net contribution of Rs. 1·23 lakhs this year and Rs. 2,34 lakhs next year has been arrived at :—

	1957-58 Revised	1957-58 Revised	1958-59 Budget
Gross Receipts	62,07·50	60,69·00	63,64·00
Working Expenses	55,36·01	56,67·28	58,15·84
NET RECEIPTS	6,71,·49	4,01·72	5,48·16
Interest	2,77·23	2,78·23	3,14·16
NET REVENUE	3,94·26	1,23·49	:2,34·00

The broad details of the gross receipts are given below :—

Postage and Message Revenue—			
Sale of Stamps	31,30,·20	29,99·40	31,24·50
Postal Receipts	3,74·65	3,77·21	4,03·45
Telegraph (including Rodio) Receipts,	2,75·90	2,46·15	2,57·35
TOTAL	37,80·75	36,22·76	37,85·30
Miscellaneous Revenues —			
Fees and other receipts	4·23	12·10	13·20
Postal Receipts (Receipts on account of Money Orders, etc.)	5,07·80	4,73·90	4,94·40
Telegraph (including Radio) Receipts (Rent of wires, instruments, etc.)	1,74,·20	1,46·70	1,36·10
Telephone Receipts (Rent of telephones, telephone call fees, etc.)	17,40·52	18,13·54	19,35·00
TOTAL	24,26·75	24,46·24	25,78·70
TOTAL REVENUE RECEIPTS	62,07·50	60,69·00	63,64·00

Details of expenditure are given in Statement VIII.

Railways.—Until 1954-1955 Railways used to pay to General Revenues a consolidated dividend of 4 per cent on the capital at charge on Railways, other than on unremunerative strategic lines. Under the Railway Convention Resolution of 1954, this arrangement will continue for a further period of 5 years with effect from 1955-56, subject to the following modifications :—

(a) On the element of over-capitalisation in the railway capital structure, which has been estimated at Rs. 100 crores, only interest at the usual rates chargeable to commercial departments will be charged, and

(b) On capital expended on new lines, Railways will have a moratorium during the period of construction and 5 years thereafter ; but from the 6th year after the opening of the lines to the traffic, the normal dividend of 4 per cent will be paid, and, in addition, deferred interest for the period of the moratorium will be paid at the rate chargeable to commercial departments from the net earnings on the lines.

The total dividend payable by Railways to General Revenues is estimated at Rs. 44·24 crores this year and Rs. 49·58 crores next year. Of this Rs. 37·91 crores this year and Rs. 42·54 crores next year have been taken in reduction of expenditure under 'Interest', the balance of Rs. 6·33 crores this year and Rs. 7·04 crores next year have been treated as contribution to Revenue.

EXPENDITURE ESTIMATES

The Budget for 1957-58 provided for a total gross expenditure of Rs. 910·83 crores met out of Revenue. It is now estimated that expenditure during the current year would amount to Rs. 961·80 crores. The total gross expenditure during the coming year 1958-59 is estimated at Rs. 1066·28 crores.

As explained in para. 6 of the Introductory Note the demands are for the actual expenditure exclusive of recoveries taken in the accounts in reduction of expenditure. A broad reconciliation of the gross expenditure and the net amount shown in the annual financial statement is given below:—

(In thousands of Rupees)

	Budget Estimates, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Total gross expenditure met from Revenue as shown in the demands for grants	9,10,83,36	9,61,79,80	10,66,27,96
Deduct—			
(*a*) Recoveries (shown in Annexure X) adjustable in reduction of gross expenditure and taken into account in working out the net expenditure shown in Statement I	1,70,60,00	1,66,37,22	1,94,62,25
(*b*) Receipts of the Defence Services taken into account in working out the net expenditure on Defence Services shown in Statement I .	13,47,25	15,73,70	13,65,34
(*c*) Working Expenses of commercial departments taken in reduction of gross revenue shown in Statement I—			
(*i*) Posts and Telegraphs	55,36,01	56,67,28	58,15,84
(*ii*) Road Transport Schemes	46,21	57,57	61,48
(*iii*) Electricity Schemes	7,70	7,72	8,37
(*d*) Interest payable by Posts and Telegraphs Department and included in working out the net earnings of that Department shown in Statement I	2,77,23	2,78,23	3,14,16
TOTAL—Deduction. . . .	2,42,74,40	2,42,21,72	2,70,27,44
Total expenditure shown in Statement I of this memorandum and on Page 3 of the "Budget of the Central Government" (Annual Financial Statement)	6,68,08,96	7,19,58,08	7,96,00,52

Statement VI following shows the distribution of the total gross expenditure by the various Demands for Grants and Appropriations. As the expenditure shown in the annual financial statement is by major heads of account, Annexure X to this Memorandum indicates how the estimated expenditure during the year 1958-59 under each major head is distributed over the various Demands for Grants and Appropriations.

STATEMENT VI

(In thousands of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
	Rs.	Rs.	Rs.
1. Ministry of Commerce and Industry	62,09	63,32	66,43
2. Industries	24,63,36	25,88,41	26,90,99
3. Salt	1,53,30	1,58,13	1,63,06
4. Commercial Intelligence and Statistics	82,81	76,84	79,81
5. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	1,60,98	1,76,67	1,90,64
6. Ministry of Community Development	20,76	19,45	21,99
7. Community Development Projects and National Extension Service	12,30,86	11,30,47	13,13,27
8. Ministry of Defence	35,47	35,23	37,68
9. Defence Services—Effective—Army	1,72,38,28	1,80,11,27	1,78,10,75
10. Defence Services—Effective—Navy	16,01,41	15,32,08	16,65,58
11. Defence Services—Effective—Air Force	69,81,49	78,16,38	88,54,65
12. Defence Services—Non-effective Charges	13,81,89	14,30,31	14,57,99
13. Ministry of Education and Scientific Research	65,24	64,00	68,92
14. Archaeology	96,93	..	1,09,70
15. Survey of India	1,64,85	1,83,03	1,71,11
16. Botanical Survey	10,67	9,49	12,50
17. Zoological Survey	10,24	7,30	11,87
18. Scientific Research	6,02,89	5,83,99	6,38,98
19. Other Scientific Departments	44,20	37,43	56,67
20. Education	25,86,61	21,04,39	25,37,10
21. Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	1,95,54	1,79,68	2,41,90
22. Tribal Areas	5,82,02	5,74,17	8,02,99
23. Naga Hills—Tuensang Area	..	1,07,21	3,64,57
24. External Affairs	8,30,47	8,37,57	8,78,80
25. State of Pondicherry	3,30,51	2,50,17	2,99,28
26. Miscellaneous Expenditure under the Ministry of External Affairs	3,61	3,82	4,09
27. Ministry of Finance	1,43,36	1,37,11	1,58,77
28. Customs	4,03,13	4,08,98	4,16,32
29. Union Excise Duties	26,60,79	47,49,51	76,84,22
30. Taxes on Income including Corporation tax, etc.	4,68,79	4,77,59	5,42,63
31. Opium	2,11,07	2,05,34	2,42,18
32. Stamps	1,73,79	2,15,62	2,42,53
33. Audit	9,51,83	9,55,82	10,23,05
34. Currency	3,68,41	3,59,15	3,81,26
35. Mint	3,12,18	3,91,34	4,77,07
36. Territorial and Political Pensions	27,95	25,35	22,09
37. Superannuation Allowances and Pensions	3,47,02	3,72,98	3,84,33
38. Miscellaneous Departments and other Expenditure under the Ministry of Finance	25,27,23	14,05,10	31,09,45
39. Planning Commission	1,64,61	1,60,41	2,10,00
40. Miscellaneous Adjustments between the Union and State Governments	6,10	6,10	6,66
41. Pre-partition Payments	70,00	91,97	37,27
Charged—Interest on Debt and other Obligations and Reduction or Avoidance of Debt	1,19,33,05	1,21,83,05	1,39,42,93
Charged—Grants-in-aid to States	25,16,66	47,20,16	46,96,70
42. Ministry of Food and Agriculture	79,60	66,66	73,54
43. Forest	2,07,02	1,69,59	2,56,26
44. Agriculture	16,40,27	15,03,61	15,72,50
45. Civil Veterinary Services	1,44,35	1,01,23	1,48,25
46. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	6,47,59	10,00,97	13,80,[illegible]

STATEMENT VI—*contd.*

(In thousands of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
	Rs.	Rs.	Rs.
47. Ministry of Health	13,13	13,26	13,71
48. Medical Services	3,88,17	3,54,27	5,18,73
49. Public Health	9,17,65	9,00,11	14,06,97
50. Miscellaneous Departments and Expenditure under the Ministry of Health	1,03,81	1,08,00	87,61
51. Ministry of Home Affairs	2,63,68	2,32,21	2,73,56
52. Cabinet	36,56	35,29	35,34
53. Zonal Councils	4,51	2,80	4,44
54. Administration of Justice	14,99	15,84	17,12
55. Police	4,87,43	4,86,28	4,93,68
56. Census	8,49	8,49	8,34
57. Statistics	1,67,23	1,59,97	1,81,12
58. Privy Purses and Allowances of Indian Rulers	5,54,48	5,50,74	5,46,75
59. Delhi	7,01,63	7,02,50	7,73,78
60. Himachal Pradesh	4,69,12	4,40,41	4,64,24
61. Andaman and Nicobar Islands	2,74,27	2,69,90	2,77,91
62. Manipur	1,47,53	1,47,53	2,16,72
63. Tripura	2,39,09	2,39,09	3,29,23
64. Lacadive, Minicoy and Amindive Islands	14,65	10,60	19,74
65. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	8,85,15	7,28,97	8,75,72
66. Ministry of Information and Broadcasting	13,21	12,77	13,49
67. Broadcasting	3,79,89	3,70,34	4,01,00
68. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	3,47,04	2,93,12	3,34,11
69. Ministry of Irrigation and Power	17,37	19,64	19,67
70. Multipurpose River Scheme	1,60,33	1,44,52	1,28,07
71. Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power	98,08	80,52	1,05,10
72. Ministry of Labour and Employment	16,94	14,98	17,47
73. Chief Inspector of Mines	23,84	17,42	23,04
74. Miscellaneous Departments and other Expenditure under the Ministry of Labour and Employment	8,66,57	6,51,38	8,80,17
75. Ministry of Law	16,58	15,38	19,39
76. Elections	1,55,80	1,57,53	1,81,41
77. Miscellaneous Expenditure under the Ministry of Law	6,25	5,80	5,44
78. Ministry of Rehabilitation	43,75	41,87	40,45
79. Expenditure on Displaced Persons and minorities	22,50,26	22,33 20	20,48,25
80. Ministry of Steel, Mines and Fuel	31,15	23,31	33,49
81. Geological Survey	95,35	1,08,61	1,31,85
82. Exploration of Oil and Natural Gas	2,57,67	1,42,40	2,18,35
83. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	56,30,90	63,73,66	49,62,52
84. Ministry of Transport and Communications	72,09	71,34	76,62
85. Mercantile Marine Department	63,17	60,34	62,10
86. Lighthouses and Lightships	1,38,56	1,09,90	1,38,96
87. Central Road Fund	4,28,19	4,03,40	4,28,99
88. Communications (including National Highways)	5,72,68	5,83,18	6,03,69
89. Indian Posts and Telegraphs Department	62,43,93	63,66,22	66,14,15
90. Meteorology	1,52,29	1,47,09	1,61,46
91. Overseas Communications Service	1,21,59	1,19,99	1,23,76
92. Aviation	3,56,63	3,48,99	3,79,52
93. Miscellaneous Departments and other Expenditure under the Ministry of Transport and Communications	1,57,94	99,53	1,38,68

STATEMENT VI—*concld.*

(In thousands of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
	Rs.	Rs.	Rs.
94. Ministry of Works, Housing and Supply	56,01	52,80	56,71
95. Supplies	2,61,14	2,84,70	2,71,95
96. Other Civil Works	21,00,04	24,41,66	25,53,88
97. Stationery and Printing	6,89,77	6,78,57	7,19,67
98. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	89,86	80,73	88,56
99. Department of Atomic Energy	8,70	7,79	9,08
100. Atomic Energy Research	3,10,00	2,30,00	3,30,80
101. Department of Parliamentary Affairs	1,91	1,65	2,25
102. Lok Sabha	1,21,36	1,04,65	1,03,70
103. Miscellaneous Expenditure under Lok Sabha	34	34	34
104. Rajya Sabha	37,59	31,69	33,92
Charged—Staff, Household and Allowances of the President	18,38	18,08	18,37
105. Secretariat of the Vice-President	62	38	59
Charged—Union Public Service Commission	36,74	44,39	42,05
TOTAL	9,10,83,36	9,61,79,80	10,66,27,96

NOTES ON EXPENDITURE ESTIMATES

Details of provision included in the various Demands and Appropriations both by sub-heads and by circles of account are given in the Book of Demands (Vols. I and II) and in the Demands for Grants relating to the Defence Services and the Posts and Telegraphs Department. In the following notes in this Section, mention has been made of the important reasons for the variations between the budget and the revised estimates for the current year and between the revised estimates for the current year and the budget estimates for the next year under the various Demands for Grants and Appropriations, excepting such as are self-explanatory.

Unless otherwise stated, all figures quoted hereafter in this Section are in thousands of Rupees.

1. *Ministry of Commerce and Industry* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
62,09	63,32	66,43

Consequent on the transfer of administration of the Indian Companies Act from the Ministry of Finance to the Ministry of Commerce and Industry during the current year, the provision for the Department of Company Law Administration both for the current and the next years has been shown in this Demand.

Expansion of the Ministry to cope with the increased activities is mainly responsible for the increase both in the revised and the next budget.

2. *Industries* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
24,63,36	25,88,41	26,90,99

Increase in the revised has been necessitated by anticipated larger contribution to the Fund for the Development of Handloom and Khadi Industries to cover the deficit between the accumulations in the Fund of the cess collected under the Khadi and Handloom Industries Development (Additional excise Duty on Cloth) Act, 1953 and the expenditure on the development of handloom and Khadi. Next budget provides for development of handicrafts and for more expenditure on development of handloom industry.

3. *Salt* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
1,53,30	1,58,13	1,63,06

Additional provision in the revised has been necessitated mainly by the change in classification of certain works from 'Capital' to 'Revenue'. This change in classification is reflected also in the increase in the next budget.

4. *Commercial Intelligence and Statistics* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
82,81	76,84	79,81

Non-functioning of some trade offices, for which provision was made in the current budget, has resulted in the decrease in the revised. The next budget provides for opening of new trade offices. The provision for the Directorate of Industrial Statistics, which has hitherto been made in this Demand, has been transferred to a new Demand 'Statistics' in the next year's budget.

5. *Miscellaneous Departments and Other Expenditure under the Ministry of Commerce and Industry* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
1,60,98	1,76,67	1,90,64

Consequent on the transfer of administration of the Indian Companies Act and of the Indian Partnership Act from the Ministry of Finance to the Ministry of Commerce and Industry during the course of the current year, the provision for (i) the Registrar of Joint Stock Companies, (ii) administration of Indian Partnership Act, (iii) the Company Law and Investment Administration and (iv) for grants to the Institute of Chartered Accountants have been transferred to this Demand from the Demand 'Miscellaneous Departments and other expenditure under the Ministry of Finance'. The increase both in the revised and the next budget is due mainly to opening of new foreign trade offices at ports and greater participation in international fairs and exhibitions abroad.

6. *Ministry of Community Development* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
20,76	19,45	21,99

Decrease in the revised is due mainly to some posts of officers remaining vacant and non-purchase of certain items of office equipment. Next budget is based on the full sanctioned strength and also provides for normal increments and increase in staff.

7 *Community Development Projects and National Extension Service* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
12,30,86	11,30,47	13,13,27

This Demand accommodates provision for grants to States for community development and national extension service schemes and also for direct Central expenditure on training and other schemes connected with the implementation of the community development and national extension service programme in the country. Slow progress of expenditure on projects/blocks is mainly responsible for the decrease in the revised. The *pro rata* target fixed for each State and provided for in the original estimates is not expected to be achieved. Increase in the next budget is due to expansion of programme and starting of additional schemes.

8. *Ministry of Defence* :

Budget, 1957-58 Rs.	Revised, 1957-58 Rs.	Budget, 1958-59 Rs.
35,47	35,23	37,68

Increase in the next budget is due mainly to the re-transfer of the office of the Director of Military Regulation Forms from Defence Services Estimates to the Ministry. Provision has also been made for creation of additional posts of officers and staff next year.

9—12. *Defence Services* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
2,72,03,07	2,87,90,04	2,97,88,97

The sub-heads of these Demands give broad details of expenditure on Defence Services met from revenue and full details are given in a separate memorandum circulated with the budget papers.

13. *Ministry of Education and Scientific Research* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
65,24	64,00	68,92

Decrease in the revised is due mainly to lesser number of new posts sanctioned than anticipated and restricted expenditure on contingencies as a measure of economy. Increase in the next budget is accounted for by the provision for annual increments and for some additional posts to be created.

14. *Archaeology*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
96,93	91,23	1,09,70

Economy measures taken during the current year have resulted in a decrease in the revised. The next budget provides for additional expenditure for the Plan schemes, renovation of Ajanta caves, taking over of monuments in Jammu and Kashmir State and for equipment of new site museums at Budh Gaya, Rupar, Mandu, BiBi-Ka-Mukabara, etc.

15. *Survey of India* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
1,64,85	1,83,03	1,71,11

Increase in the revised is due mainly to carry over from the previous years of adjustment for material and equipment received under the T.C.A. programme and of arrear payments to the Indian Air Force and the Air Survey Company for aerial survey and aerial photography, partly set-off by decrease in pruchase of stores due to import restrictions. The elimination from the next budget of these carry-overs is reflected in the decrease next year.

16. *Botanical Survey* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
10,67	9,49	12,50

Decrease in the revised is due to non-implementation of the scheme of reorganisation of the Botanical Survey of India to the extent provided for. Next budget provides for additional posts and for purchase of equipment to implement the reorganisation scheme.

17. *Zoological Survey* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
10,24	7,30	11,87

Delay in finalisation of the scheme of expansion and reorganisation of the department mainly accounts for the decrease in the revised. Necessary provision for the contemplated expansion and reorganisation has now been made in the next budget.

18. *Scientific Research* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
6,02,89	5,83,99	6,38,98

The important items included in this Demand are given below : —

Grants to the Council of Scientific and Industrial Research	2,50,00	2,20,00	2,50,00
Grants to Scientific Societies and Institutes . .	1,76,83	2,21,83	2,95,80
Grants for Scientific and Technical Education . .	1,10,20	62,37	63,44
Material and equipment under the T.C.A. Programme and the Colombo Plan for the Council of Scientific and Industrial Research	60,00	77,10	22,35

Grants to States for scientific and technical education, which had hitherto been provided for in Demand "Other Scientific Departments" are with effect from the budget for 1958-59 being transferred to this Demand. Provision for 'compilation of national atlas' and 'scheme for Vigyan Mandirs' has been transferred from this Demand to Demand "Other Scientific Departments". Decrease in the revised is mainly due to smaller payment of grants to the State for scientific and technical education owing to slow progress of schemes, partly set off by larger receipts of material and equipment under the T.C.A. Programme and the Colombo Plan. Next budget provides for increased grants and more equipment under the Colombo Plan.

19. *Other Scientific Departments*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
44,20	37,43	

Grants to State for scientific and technical education, which have hitherto been provided for in this Demand, are with effect from the budget for 1958-59 being transferred to the Demand 'Scientific Research' Provision for Vigyan Mandirs and for compilation of national atlas has been transferred from the Demand 'Scientific Research' to this Demand. Also, the budget of the Indian School of Mines has now been included in this Demand and the Demand 'Mines' abolished. Decrease in the revised is due mainly to non-filling of certain posts in the Indian School of Mines, smaller expenditure in the Department of Anthropological Survey as a measure of economy and smaller purchases of scientific equipment abroad. The next budget provides for reorganisation and development of museums, opening of 15 new Vigyan Mandirs and expansion of the Indian School of Mines.

20. *Education* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
25,86,61	21,04,39	25,37,10

Slow progress of some schemes and postponement of certain others as a measure of economy account for the decrease in the revised. The increase in the next budget is due mainly to larger provision for grants to State Governments, to University Grants Commission and to educational institutions for development schemes.

21. *Miscellaneous Departments and Expenditure under the Ministry of Education and Scientfiic Research*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
1,95,54	1,79,68	2,41,90

Decrease in the revised is due mainly to ban on construction work resulting in the postponement of grant to the Indian Council for Cultural Relations for construction of buildings and also to the actual contribution to UNESCO working to a lesser amount than anticipated. Increase next year is due mainly to the expanding activities of the Central Social Welfare Board particularly in the field of welfare extension services. The next budget provides Rs. 175 lakhs for grants to the Board as against Rs. 124·80 lakhs in the revised.

22. *Tribal Areas* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
5,82,02	5,74,17	8,02,99

The expenditure provided for in this Demand relates to the North Eastern Frontier. Broad details are given below :

Assam Rifles	2,67,90	2,90,83	5,21,72
Buildings	3,25	5,34	7,46
Political and Administrative Charges	1,77,74	1,66,18	1,49,70
Works	21,00	15,78	18,50
Scheme of Economic Development of Tribal Areas	1,09,02	93,11	1,01,77
Miscellaneous expenditure	3,11	2,93	3,84
	5,82,02	5,74,17	8,02,99

Non-implementation of some development schemes in full and transfer of the Tuensang Frontier Division to the Naga Hills-Tuensang Area, partly counter-balanced by additional expenditure on taking over two battalions from Assam Government and raising of two new battalions during the latter half of the year, chiefly account for decrease in the revised. Next budget allows for full year's provision for the four battalions added to the Frontier Watch and Ward during the current year and also provides for one additional battalion to be raised in December 1958. The cost of 4½ battalions is transferred to the budget of the Naga Hills-Tuensang Area with effect form 1st December, 1957.

23. *Naga Hills-Tuensang Area* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
..	1,07,21	3,64,57

The Naga Hills-Tuensang Area has been constituted with effect from 1st December 1957 as a centrally administered area under the Naga Hills-Tuensang Area Act of 1957. This Demand provides for the administrative and other expenditure of this area which comprises of the Naga Hill District previously administered by the Government of Assam and the Tuensang Frontier Division of the North East Frontier Agency previously administered by the Governor of Assam as agent of the President of India. The broad details of the provision are :—

	Revised, 1957-58	Budget, 1958-59
	Rs.	Rs.
Direct Demands on Revenue (including expenditure on forests)	1,64	4,18
General Administration	11,35	33,59
Justice, Jails and Police	54,29	2,28,18
Education	7,32	17,65
Medical and Public Health	3,38	11,41
Agriculture, Veterinary and Co-operation	3,36	6,14
Industries and Supplies	80	2,50
Relief Measures	10,00	20,00
Community Projects, etc.	5,05	10,84
Other miscellaneous expenditure	10,02	30,10
	1,07,21	3,64,59

Increase in the next budget is due to provision having been made for a whole year.

24. *External Affairs* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
8,30,47	8,37,57	8,78,80

Broad details are :—

	Rs.	Rs.	Rs.
Ministry of External Affairs	1,03,17	1,07,77	1,13,28
Embassies and Missions abroad	3,01,15	3,04,76	3,26,42
High Commissions and Agents in Commonwealth Countries	98,70	96,27	1,03,35
Subsidies to Sikkim and Bhutan	68,00	70,00	70,00
Entertainment charges	17,37	25,06	25,06
Special Diplomatic Expenditure	11,07	11,07	11,01
Central Passport Organisation	21,81	23,36	23,65
Contribution to the U.N.O.	63,78	60,96	79,04
Expenditure on development measures	6,61	2,86	7,61
Indian Delegation to the International Armistice Supervisory Commission in Indo-China	52,34	36,96	33,61
Charges in England	58,66	62,45	60,13
Other items	27,81	36,05	25,64
	8,30,47	8,37,57	8,78,80

Increase in the revised is due mainly to adjustment of outstanding charges relating to visits of foreign dignitaries in the previous years. A part of the increase is also due to payment to the Government of Punjab on account of the cost of police employed for recovery of abducted persons from Pakistan. Increase in the next budget is chiefly accounted for by provison made for opening new missions in Tunisia, Madrid and Santiago, upgrading of legations at Damascus, Jedda and Vientiane to Embassies and full year's provision for missions opened/likely to be opened during the current year at Rabat, Kampala and Lagos.

25. *State of Pondicherry* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
3,30,51	2,50,17	2,99,28

Non-implementation of development schemes in full and smaller expenditure on the new pier due to slow progress of work are mainly responsible for the decrease in the revised. Next budget provides for larger expenditure on the new pier and on development schemes according to Plan targets.

26. *Miscellaneous Departments and Expenditure under the Ministry of External Affairs* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
3,61	3,82	4,09

Revised is more than the current budget due mainly to loss by exchange as a result of devaluation of some foreign currencies. Larger provision to cover loss by exchange of foreign currencies chiefly accounts for the increase in the next budget.

27. *Ministry of Finance* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
1,43,36	1,37,11	1,58,77

Consequent on the transfer of administration of the Indian Companies Act from the Ministry of Finance to the Ministry of Commerce and Industry during the current year, the provision for the Department of Company Law Administration both for the current and the next years has been omitted from this Demand and taken to the Demand 'Ministry of Commerce and Industry'.

Decrease in the revised is due mainly to vacant posts and less expenditure on travelling and contingencies as a measure of economy. The existing vacancies are likely to be filled up during the next year. Next budget also provides for expenditure in connection with the 13th annual meeting of the World Bank and the International Monetary Fund to be held in New Delhi as well as for the rental of a building taken on rent for office purposes.

28. *Customs* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
4,03,13	4,08,98	4,16,32

Increase both in the current and the next years is due mainly to anticipated larger payments to the Union Excise Department for purchase of launches, weapons and equipment in connection with the customs work.

29. *Union Excise Duties* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Rs.	Rs.	Rs.
26,60,79	47,49,51	76,84,22

This Demand has hitherto provided for payments to State Governments of their share of Union Duties of Excise on the basis of the recommendations of the Finance Commission under Article 272 of the Constitution read with Article 280 thereof and for the administration and other expenditure of the Union Excise Department. It now includes also payments to States of the net proceeds of the Additional Duties of Excise levied in replacement of sales taxes on sugar, tobacco and taxtiles which are distributed under the provisions of the Additional Duties of Excise (Goods of Special Importance) Act, 1957. The figures are as follows :—

	Budget 1957-58	Revised 1957-58	Budget 1958-59
States' share of the ordinary Union Duties of Excise . .	19,16,94	28,70,94	29,50,00
States' shares of Union Duties of Excise under the Additional Duties of Excise (Goods of Special Importance) Act, 1957	..	11,51,37	39,47,13
Administrative and other expenditure of the Union Excise Department	7,43,85	7,27,20	7,87,09
	26,60,79	47,49,51	76,84,22

Under the provisions of the Union Duties of Excise (Distribution) Act, 1953, which was based on the recommendations of the first Finance Commission, 40 per cent. of the net proceeds of the Union Duties of Excise on matches, tobacco and vegetable products was being paid to the States up to 1956-57. The provision in the original budget for 1957-58 for payment of the States' share was made on the basis of the interim recommendations of the Second Finance Commission which followed the recommendations of the first Commission. On the basis of the final recommendations of the second Commission, which became available in September 1957 and which were accepted by the Government, the Union Duties of Excise (Distribution) Act, 1957 was enacted to provide for the payment to the States every year with effect from 1957-58, 25 percent. of the net proceeds of the Union Duties of Excise on sugar, matches, tobacco (including manufactured tobacco) vegetable

products, coffee, tea, pepper and vegetable non-essential oils. Increase both in the revised provision for the current year and in the next budget is due mainly to the increased allocation to States.

Payments to States of their share of additional duties of excise have been provided for on the basis of the anticipated collection of these duties.

Decrease in the revised of the administrative and other expenditure of the Central Excise Department is due mainly to the ban imposed on filling of vacant posts of inspectors, sepoys, clerks, etc. in view of the expected introduction of the Multiple Officers' Range scheme and non-utilisation of the provision for purchase of launches owing to their non-availability. The decrease on these accounts has been partly counter-balanced by the provision for additional dearness allowance sanctioned on the interim recommendation of the Pay Commission. Provision for the purchase of launches, for filling up of vacant posts on introduction of Multiple Officers'Range scheme and for normal expansion of the Department mainly account for increase in the next budget.

30. *Taxes on Income including Corporation Tax, etc.* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
4,68,79	4,77,59	5,42,63

Expenditure on additional dearness allowance sanctioned on the interim recommendation of the Pay Commission, creation during the course of the year of a separate office of Commissioner of Income-tax for Kerala and shifting of the office of the Commissioner of Income-tax, Assam from Calcutta to Shillong account for the increase in the revised. Provision made for the administration of the Wealth Tax and Expenditure Tax Acts, together with that made for additional dearness allowance for full year and for creation of new posts, is mainly responsible for the increase in the next budget.

31. *Opium* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
2,11,07	2,05,34	2,42,18

Less payments to cultivators due to lower yield of opium than was originally anticipated account for the drop in the revised. More area is expected to be under poppy cultivation next year. Larger payments to cultivators have accordingly been provided for in the next budget.

32. *Stamps* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,73,79	2,15,62	2,42,53

Increase in the revised is due mainly to larger purchase of stores for the India Security Press than anticipated, entertainment of additional staff and all round increase in the working of the Press due to increased demands from Government Departments and the State Bank of India and grant of additional dearness allowance on the interim recommendation of the Pay Commission. Next budget provides for larger purchases of stores due to anticipated increased demand for press products.

33. *Audit* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
9,51,83	9,55,82	10,23,05

Increase in the next budget is due to provision for more staff for audit and accounting of expenditure in connection with the increased activities of the Union and State Governments and normal growth of expenditure.

34. *Currency* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
3,68,41	3,59,15	3,81,26

The next budget provides for import of more currency note paper and for increased interest charges due to increase in the capital outlay.

35. *Mint* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
3,12,18	3,91,34	4,77,07

Increase in the revised is due chiefly to more losses than anticipated on destruction of old coins as a result of the introduction of decimal coins. These losses represent the difference between the face value and the metallic content of the coins destroyed. On the issue of new coins the similar difference is treated as profit and taken to revenue. Increase in incidental expenditure incurred on behalf of the Government of the U.S.A. in connection with the return of lease-lend silver, which will later be recovered from that Government and all round increase in the working of the mints to cope with the expanding demand for decimal coins also account for a part of the increase. Provision for working expenses of the Silver Refinery, hitherto charged to the capital budget, and anticipated increase in the return of old coins, partly set off by elimination from the next year's estimates of incidental charges in connection with the return of lease-lend silver to the U.S.A. provided for in the current year, mainly account for the increase in the next budget

37. *Superannuation, Allowances and Pensions* :

Budget, 1957-58	Revised, 1957-58	Budget 1958-59
3,47,02	3,72,98	3,84,33

Increase in the current year is due mainly to larger transfer to revenue account of payments of commuted value of pensions initially taken to capital, increased expenditure on death-*cum*-retirement gratuities and payment to successor States in respect of pre-reorganisation civil pensions of persons who served in the former Part C States, as provided in Section 100 of the States Reorganisation Act, 1956. The budget for the next year allows for normal increase in expenditure

38. *Miscellaneous Departments and other Expenditure under the Ministry of Finance.*

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
25,27,23	14,05,10	31,09,45

The items for which provision has been made in this Demand are shown below :—

Controller of Insurance	7,84	8,49	7,41
National Savings Commissioner	3,74	2,83	7,06
Regional Savings Officers	34,98	28,34	33,83
Foreign Exchange Regulations Unit	3,15	2,59	3,03
Court Liquidator under the Banking Companies Act	88	88	79
Lump provision for additional dearness allowance under the interim report of the Pay Commission	..	28	38
Finance Commission	3,02	2,71	..
Commission of Enquiry into the affairs of Dalmia Jain Group of Companies	..	3,82	2,14
Pay Commission	..	3,71	4,68
Life Insurance Tribunal	..	1,70	1,70
Economic aid under the Colombo Plan	1,00,00	90,00	2,20,00
Technical aid to South and South-East Asia under the Colombo Plan	26,00	16,00	18,00
India's contribution to U.N.O's Expanded Programme	23,80	23,81	25,00
Grants to Public Institutions	12,50	18,50	18,70
Contributions towards expenses of the Resident Representative of the United Nations Technical Assistance Board	1,10	74	1,00
Loss or Gain by Exchange—American Wheat Loan and I.B.R.D. Loans	5,77	5,46	5,68
Service and other charges in connection with purchase of Dollars from International Monetary Fund	12,95	1,07,68	1,76,67
Customs and import duties on personal, household and professional effects of U.N. and Colombo Plan Experts	..	..	1,00
Lump provision for schemes of public co-operation	10,00	1,50	10,00
Payment to State Governments in connection with the separation of accounts from audit	16,72	16,20	7,03
Payment to States for publicity of Small Savings Scheme	..	..	15,35
Assistance to States for raising emoluments of low-paid employees	5,00,00	5,00,00	6,00,00
Write back to revenue of development grants to States initially charged to capital	37,50	37,50	37,50
Assistance to States towards expenditure due to natural calamities and in scarcity-affected areas	7,00,00	5,00,00	5,00,00
Transfer of grants from the U.S.A. under P.L. 480	10,00,00	..	14,00,00
Other items	27,28	32,36	12,50
TOLAL	25,27,23	14,05,10	31,09,45

Consequent on the transfer of administration of the Indian Companies Act and of the Indian Partnership Act from the Ministry of Finance to the Ministry of Commerce and Industry during the course of the current year, the provisions made in the current budget for (*i*) the Registrar of Joint Stock Companies, (*ii*) administration of Indian Partnership Act, (*iii*) the Company Law and Investment Administration and (*iv*) for grants to the Institute of Chartered Accountants have been transferred to the Demand/Miscellaneous Departments and other expenditure under the Ministry of Commerce and Industry.'

Grants from the United States of America under P..L 480 provided for in the current budget are now expected to be received only next year. This has resulted in a decrease of Rs. 10 crores in the revised, as the transfer of this assistance from the United States of America to the Special Development Fund/Loans is effected through this Demand. The rest of the decrease this year is largely due to a saving of Rs. 2 crores in the budget provision for assistance to States towards expenditure due to natural calamities. The next budget provides for transfer to the Special Development Fund of grants from the United States of America expected under P.L. 480, larger assistance to States for revision of emoluments of low-paid employees, increase in incidental expenditure on purchase of dollars from the International Monetary Fund and larger aid to Nepal under the Colombo Plan.

39. *Planning Commission*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,64,61	1,60,41	2,10,00

Decrease in the revised is due mainly to number of posts remaining vacant for a part of the year. Next budget provides for increased transfer to revenue on account of grants for local development works initialy taken to capital, filling up of existing vacant posts and creation of some new ones.

40. *Miscellaneous Adjustments between the Union and State Governments*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
6,10	6,10	6,66

This Demand accommodates provision in respect of payments made to the State Governments for administering the Petroleum, Explosives and Arms Acts on behalf of the Union Government. The fees realised under these Acts are paid to the State Governments to cover their expenditure on the administration of these Acts.

41. *Prepartition payments*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
70,00	91,97	37,27

This Demand provides for settlement of liabilities outstanding against the undivided Government of India on the date of partition. It is difficult to estimate accurately in advance the number of claims which will be presented and paid after completion of necessary formalities. The additional provision in the current year is required mainly to meet the claims against the Defence Services. Gradual induction in the outstanding cases of prepartition claims accounts for the decrease re the next budget.

Charged—Interest on debt and other obligations:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,19,33,05	1,21,83,05	1,39,42,93

The payments on account of interest etc. on rupee, sterling and other debt (details of which appear in the Demands for Grants) are broadly summarised below:—

STATEMENT VII

Gross Payments

A.—Interest on Ordinary Debt—

(*i*) Rupee Debt—

(In lakhs of rupees)

	Bugdet, 1957-58	Revised, 1957-58	Budget, 1958-59
(*a*) Management of Debt	26·14	29·42	30·91
(*b*) Expenditure connected with the issue of new loans and sale of securities held in the Cash Balance Investment Account	7·41	9·39	10·75
(*c*) Discount written off to revenue	1,46·31	1,46·31	1,66·19
(*d*) Interest on temporary loans	22,50·00	25,50·00	33,00·00
(*e*) Interest on all other loans	52,08·72	52,30·12	56,56·48
(*f*) Other items	0·70	0·59	0·70
(*ii*) Sterling Debt—			
(*a*) Interest on loans contracted in England	2·29	2·29	2·17
(*b*) Interest on Railway Annuities	3·49	3·48	1·39
(*c*) Interest on outstanding liabilities of Railway Companies taken over on purchase	0·15	0·15	0·15
(*d*) Management of debt	0·03	0·02	0·02
(*e*) Other items	12·58	12.81	6·76
(*iii*) Other Debt—			
(*a*) Interest on dollar loan from International Bank for Reconstruction and Development including brokerage, commission etc.	81·17	99·06	2,87.74
(*b*) Interest on American wheat loan	2,25·32	2,25·10	2,22·40
(*c*) Interest on other American loans	..	..	86·40
(*d*) Interest on cost of steel plant and equipment from the U.S.S.R.	80·00	23·00	81·99
TOTAL	80,44·31	83,31·74	98,54·05

B.—*Interest on Unfunded Debt and Other Obligations* :

Bonus on Post Office Certificates	9,40·02	9,35·41	9,74·30
Post Office Savings Bank Deposits	6,35·50	6,35·20	8,06·50
Interest on Ten-year Treasury Savings Deposits Certificates	1,54·98	1,54·85	1,76·05
State Provident Funds	6,74·96	6,85,56	7,35·20
Railway Depreciation Fund	3,37·52	3,27·17	2,77·48
Railway Revenue Reserve Fund	1,59·78	1,60·76	1,66·94
Railway Development Fund	67·51	39·24	17·57
Posts and Telegraphs Renewals Reserve Fund	22·91	22·98	28·10
Telephone Development Fund	10·06	11·58	10·08
Other items	3,85·50	3,78·56	3,96·66
TOTAL	33,88·74	33,51·31	35,88·88
TOTAL—Gross payments	1,14,33·05	1,16,83·05	1,34,42·93
Reduction or avoidance of debt	5,00·00	5,00·00	5,00·00
GRAND TOTAL	1,10,33·05	1,21,83·05	1,39,42·93

The amounts against items (*a*), (*b*), (*c*) and (*d*) under A(*iii*) represent respectively the interest and commission on the dollar loans taken from the International Bank for Reconstruction and Development for the Railways and Damodar Valley projects, interst on loan taken from the United States of America for the purchase of wheat interest on $45 million loan provided by the U.S.A. in March 1955 under

the Indo-U.S.A. development programme for purchase of certain commodities, like wheat, cotton, steel, fertilizers etc., and interest on the cost of plant and equipment for the Bhilai Steel Project recieved from the Union of Soviet Soclialist Republics.

The increase this year, which is chiefly under "Interest on Temporary Loans" is mainly due to the creation of more *ad hoc* treasury bills during the year to replenish the Government of India's cash balance.

Further increase next year over the current revised is on account of the anticipated creation of more *ad hoc* treasury bills, flotation of a new loan of Rs. 145 crores and growth in the debt liability as a result of raising of new loans in the current year. The estimates also include interest on Hyderabad State Loans taken over on the 31st October 1956 under Section 82(1) of the States Reorganisation Act. An equal amount by way of interest on such loans, is recovered from the successor States. Under "Unfunded Debt and Other Obligations" the increase reflects the growth of balances of Post Office Savings bank, saving Certificates, Provident Funds, etc:—

Reduction or Avoidance of Debt. The usual provision of Rs. 5 crores has been made.

Charged—Grants-in-aid to States:

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
	25,16,66	47,20,16	46,96,70
GRANTS UNDER THE CONSTITUTION :—			
Under Article 273	3,15,00	3,15,00	3,15,00
Under Substantive provision of Article 275(1)	13,20,00	36,25,00	36,25,00
Under proviso to Article 275(1)	6,44,89	6,44,89	6,30,00
Under Section 74 of the States Reorganisation Act, 1956	2,36,77	1,35,27	1,26,70
	25,16,66	47,20,16	46,96,70

Increase in the revised is due mainly to larger grants to States under the substantive provision of Article 275(1) of the Constitution in the basis of the recommendations of the second Finance Commission. Increase on this account has been partly counterbalanced by a reduction on the amounts of grants payable to State Governments under section 74(2) of the States Reorganisation Act, 1956 consequent upon larger payments due to them as their share of income-tax and Union duties of excise under the recommendations of the Commission.

Details of the amounts payable to the various States are given below:—

Grants-in-aid under Article 273 :—

(In thousands of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
West Bengal	1,52,69	1,52,69	1,52,69
Bihar	72,31	72,31	72,31
Assam	75,00	75,00	75,00
Orissa	15,00	15,00	15,00
TOTAL	3,15,00	3,15,00	3,15,00

Grant-in-aid under the substantive provision of Article 275(1):—

(In thousands of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
West Bengal	83,00	3,25,00	3,25,00
Punjab	1,63,00	2,25,00	2,25,00
Bihar	80,00	3,50,00	3,50,00
Madhya Pradesh	2,51,00	3,00,00	3,00,00
Assam	1,00,00	3,75,00	3,75,00
Orissa	1,07,00	3,25,00	3,25,00
Mysore	46,00	6,00,00	6,00,00
Rajasthan	1,15,00	2,50,00	2,50,00
Madras	5,00	..	..
Bombay	1,30,00	..	..
Andhra Pradesh	24,00	4,00,00	4,00,00
Kerala	41,00	1,75,00	1,75,00
Jammu and Kashmir	1,75,00	3,00,00	3,00,00
TOTAL	13,20,00	36,25,00	36,25,00

Grants under the provisos to Article 275(1) :—

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Bombay	5,00	5,00	44,79
Andhra Pradesh	19,00	19,00	30,30
Madras	3,00	3,00	5,99
West Bengal	13,00	13,00	19,52
Madhya Pradesh	48,00	48,00	1,02,96
Punjab	8,50	8,50	16,64
Bihar	24,50	24,50	65,90
Orissa	28,00	28,00	69,59
Assam	1,47,00	1,47,00	2,05,58
Kerala	3,50	3,50	6,88
Mysore	2,00	2,00	5,97
Rajasthan	6,00	6,00	14,71
Lump Provision	3,37,39	3,37,39	41,17
TOTAL	6,44,89	6,44,89	6,30,00

A sum of Rs. 40 lakhs has been included in the current and the next year's estimates for the grant payable to the Government of Assam, under sub-clause (a) of the second proviso to Article 275(1) of the Constitution.

Other Grants-in-aid under Section 74 of States Reorganisation Act, 1956 :—

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Mysore	64,64	20,63	14,93
Bombay	1,22,26	1,14,64	1,11,77
Kerala.	45,07	..	..
Madras	4,80	..	..
TOTAL	2,36,77	1,35,27	1,26,70

42. *Ministry of Food and Agriculture*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
79,60	66,66	73,54

Decrease in the revised is mainly on account of non-utilization of provision made for expansion of the Department of Agriculture and economy in purchase of furniture and other office equipment, partly set off by the post budget decision to appoint the Food Grains Enquiry Committee during the year. Next budget provides for filling up of vacancies and expansion of the Department of Agriculture.

43. *Forest*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
2,07,02	1,69,59	2,56,26

Decrease in the revised is due mainly to non-receipt of material and equipment under the T.C.A. programme for the Forest Research Institute and for soil conservation centres, slow progress of Central Forestry Scheme, integration of Soil Survey and Planning Scheme with the All India Soil and Land Use Survey Scheme provided for under Demand 'Agriculture', and late implementation of the scheme of setting up of an extension centre in Rajasthan. Next budget provides for increased expenditure on Soil Conservation Scheme, Soil Conservation Extension Centre in Rajasthan, Central and State Forestry Schemes and for anticipated receipt of material and equipment under the T.C.A. programme.

44. *Agriculture*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
16,40,27	15,03,61	15,72,50

Details of important items included in this Demand are given below :—

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Indian Agricultural Research Institute	90,37	70,44	88,05
Sugarcane Station, Coimbatore	4,19	2,41	2,55
Directorate of Plant Protection Quarantine and Storage	42,29	32,14	25,11
Directorate of Economics and Statistics	10,34	10,35	14,48
Central Mechanised Farms	12,15	23,66	22,32
Agricultural Experiments and Research	58,10	38,97	43,00
Boring operations	1,62,25	95,90	76,85
Grants to :—			
(*i*) Indian Council of Agricultural Research	24,02	16,84	29,87
(*ii*) Indian Central Tobacco Committee	18,20	19,10	16,52
(*iii*) Indian Central Jute Committee	18,00	21,20	23,08
(*iv*) Indian Central Sugarcane Committee	6,00	6,00	6,00
(*v*) Indian Central Arecanut Committee	8,00	3,11	13,00
(*vi*) Indian Society of Agricultural Economics	50	50	50
(*vii*) Indian Central Cocoanut Committee	6,70	2,00	6,06
(*viii*) Indian Central Cotton Committee, Bombay and Regional Research Stations for Cotton Research	12,00	12,00	21,00
(*ix*) Indian Oil Seeds Committee	10,00	..	5,00
Grants to State Governments for :—			
(*i*) Grow More Food Schemes	2,65,00	3,10,00	2,60,00
(*ii*) Seed Multiplication Farms	1,95,63	2,02,80	2,38,00
(*iii*) Gosadan Schemes	4,00	6,00	9,50
(*iv*) Key Village Schemes	47,00	44,00	52,81
(*v*) Higher Agricultural Education	79,35	38,35	56,02
(*vi*) Improvement of Land Records and Agricultural Statistics	9,00	6,30	6,50
(*vii*) Water Resources Survey and Minor Irrigation	6,30	6,30	38
(*viii*) Jute Development	20,66	14,49	14,57
(*ix*) Poultry Development	30,60	30,60	19,00
(*x*) Gaushala Development Schemes	5,00	7,00	10,00
(*xi*) Development of sheep wool	10,00	4,00	15,00
(*xii*) Agricultural Research Institutes	12,00	8,00	25,00
(*xiii*) Lac Development	2,00	1,57	2,47
(*xiv*) Arecanut Development	2,50	1,00	2,00
(*xv*) Cocoanut Development	5,00	4,50	4,00
(*xvi*) Oil Seeds Development	1,20	1,00	2,50
(*xvii*) Piggery Development	1,86	86	2,00
(*xviii*) Horticultural Schemes	10,60	6,37	9,50
(*xix*) Agricultural Information Units	2,00	1,00	80
(*xx*) Development of Pepper and Cashewnuts	4,84	48	1,68
Fisheries	1,24,01	1,09,78	92,67
Fumigation of American Cotton	11,56	15,86	8,42
Indian Institute of Sugarcane Research, Bhadruk	7,00	5,82	7,00
Indian Council of Agricultural Research—Administrative expenditure	17,88	16,11	19,60
Payment to ICAR of net proceeds of the cess on agricultural produce	45,00	45,00	45,00
Agricultural Marketing	36,12	22,79	36,32
Payment of cess to various commodity committees	40,00	38,00	40,00

Decrease in the revised is attributable mainly to less expenditure than anticipated on works and on purchase of stores for Exploratory Tubewells Organisation, non-receipt of material and equipment under the T.C.A. programme for schemes of higher education and dairy development, postponement of certain schemes of marketing and quality control as a measure of economy, partly set off by increased expenditure on Central Mechanised Farms and on grants to States for Grow More Food schemes. Next budget provides for anticipated increase in the grants to States for Agricultural development schemes, increased grants to the commodity committees for new schemes, setting up of Farm Advisory Units and information

Bureaus, implementation of additional research schemes at the Indian Agricultural Research Institute and for increase in expenditure on agricultural marketing and quality control.

45. *Civil Veterinary Services* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,44,35	1,01,23	1,48,25

Slow progress of schemes of veterinary education and rinderpest control sanctioned in the State field and non-receipt of equipment under T.C.A. programme for the Indian Veterinary Research Institute are mainly responsible for the drop in the revised. Next budget provides for these schemes and equipment and also for implementation of certain other Plan schemes.

46. *Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
6,47,59	10,00,97	13,80,85

Increase both in the revised and the next budget is chiefly due to larger transfer to revenue of trading losses incurred on purchase and sale of foodgrains and post budget decision to transfer to the Special Development Fund through this Demand the cash contribution received from New Zealand for the Delhi milk supply scheme under the Colombo Plan. Losses on sales of imported foodgrains at subsidised prices are estimated at Rs. 30 crores this year and Rs. 17 crores next year. It is proposed to write off these losses to revenue in ten annual instalments and this means an increase of Rs. 3 crores this year and of Rs. 5 crores next year over the current year's budget. In addition to the provision for loss on purchase of foodgrains and for transfer to the Special Development Fund of the New Zealand contribution, the next budget provides for write-off of trading losses of the Central Tractor Organisation.

48. *Medical Services*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
3,88,17	3,54,27	5,18,73

Decrease in the revised is mainly on account of delay in implementation of the scheme for establishment of dental clinics in district hospitals, smaller grant to the All India Institute of Medical Sciences on account of taking over of Najafgarh centre by Government, non-execution of building work for the Rehabilitation Centre for the crippled at the King Edward Medical Hospital, Bombay, change in classification of expenditure on purchase of stores by the Lake Medical College, Calcutta and non-payment of grant-in-aid to the Chittaranjan Cancer Hospital, Calcutta.

Increase next year is chiefly in the provision for grants-in-aid to States for establishment and expansion of medical colleges due to anticipated increase in expenditure on construction of buildings and purchase of equipment. There is also an increase in the provision for the Contributory Health Scheme for Government employees for opening new dispensaries and also in grants for the establishment of paediatric centres, for establishment of new dental colleges and expansion of existing ones and for after-care and rehabilitation of T.B. patients.

49. *Public Health* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
9,17,65	9,00,11	14,06,97

Increase next year is due mainly to more provision for the establishment of primary health centres, leprosy control units, national malaria eradication programme, national filaria control and for family planning scheme, partly set off by anticipated stoppage by the T.C.A. next year of supply of material and equipment for filaria control.

50. *Miscellaneous Expenditure under the Ministry of Health* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,03,81	1,08,00	87,61

Increase in the revised is due mainly to larger provision for preparation of master plan for Delhi, and for reimbursement of Indian Income-tax to non-Indian staff of the Rockfeller Foundation, partly counterbalanced by a drop in the amount of India's contribution to the World Health Organisation.

The total contribution promised by the Government of New Zealand for establishment of the All India Institute of Medical Sciences at New Delhi, which was being received in instalments, has been completed in the current year. The receipts were being credited to the Special Development Fund through this Demand before being spent on the establishment of the Institute. The next year's budget does not provide for transfer of such contribution to the Special Development Fund. This partly counterbalanced by larger anticipated grants to the Delhi Development Authority, mainly accounts for the decrease in the next budget.

51. *Ministry of Home Affairs* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
2,63,68	2,32,21,	2,73,56

Decrease in the revised is due chiefly to non-filling of certain posts in the Intelligence Bureau for want of suitable technical hands. The next budget provides for the opening of new Hindi teaching centres, implementation of certain schemes of the Intelligence Bureau and inceased staff to cope with the increased activities of the Ministry.

52. *Cabinet* :

Budget 1957-58	Revised, 1957-58	Budget, 1958-59
36,56	35,29	35,34

Drop in the revised is due to decrease in the number of Ministers and a voluntary cut of 10 per cent. in their salary and allowances.

53. *Zonal Councils* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
4,51	2,80	4,44

Zonal Councils set up under Section 15 of the States Reorganisation Act, 1956 started functioning towards the middle of the year and this accounts for the drop in the revised. Next budget provides for expenditure for a whole year.

54. *Administration of Justice* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
14,99	15,84	17,12

Next year's budget provides for increased expenditure on Supreme Court due to growth of work.

55. *Police* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
4,87,43	4,86,28	4,93,68

Increase next year is due largely to increase in payments to State Governments for strengthening of police force on border check-posts, mainly on the Indo-Portuguese border, partly set off by elimination from the budget of provision in the current year for assistance to the Government of Assam towards the cost of police force which it had to borrow from other States for maintenance of law and order.

57. *Statistics* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,67,23	1,59,97	1,81,12

This new Demand is being introduced from the next year by transferring the provision made in the current year in the Demand "Miscellaneous Departments and Expenditure under the Ministry of Home Affairs" for Central Statistical Organization, Multipurpose National Sample Survey and grants-in-aid for statistical purposes and also the provision for the Directorate of Industrial Statistics which existed in the current year in the Demand for "Commercial Intelligence and Statistics". Decrease in the revised is due mainly to non-filling of the posts sanctioned for the various statistical schemes, non-setting up of district statistical agencies and slower progress than anticipated in the extension of the national sample survey collaboration scheme. Next budget provides for additional district statistical agencies as well as for the extension of the collaboration scheme to most of the States.

58. *Privy Purses and Allowances to Indian Rulers* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
5,54,48	5,50,74	5,46,75

Decrease both in the revised and the next budget is due mainly to stoppage of payment of privy purse to the successor of a ruler, which is under dispute at present.

59. *Delhi* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
7,01,63	7,02,50	7,73,78

A broad analysis of the provision included in this Demand is given below :—

Direct Demands on Revenue	78,47	80,31	86,44
Irrigation Works	78	55	99
Civil Administration	5,95,13	5,90,16	6,58,68
Miscellaneous	18,58	22,78	20,78
Extraordinary items	8,67	8,628	6,89
Charges in England	..		..

Increase in the revised is due mainly to opening of new schools under the emergency education expansion plan and payment of subsidy to villagers shifted from flood affected areas, partly set off by decrease due to non-starting of new T.B. clinics and smaller purchase of equipment for the Delhi Fire Service. Increased provision in the next budget has been made largely for strengthening the police staff, opening of new schools, starting of a new medical college, and extension of medical facilities to the families of insured workers.

60. *Himachal Pradesh* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
4,69,12	4,40,41	4,64,24

A broad analysis of the provision included in this Demand is given below :—

Direct Demands on Revenue	53,11	63,78	64,40
Irrigation works	4,64	5,61	8,05
Civil Administration	2,81,63	2,25,53	2,23,81
Civil Works and Misc. Public improvements	48,42	59,04	59,75
Miscellaneous	33,27	52,10	73,04
Extraordinary items	48,05	34,35	35,19

Drop in the revised is due mainly to transfer of certain functions of the Administration to the Territorial Council. Provision for development schemes, revision of pay scales and payment of contributions and grants to the Territorial Council account for the increase in the next budget.

61. *Andaman and Nicobar Islands* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
2,74,27	2,69,90	2,77,91

A broad analysis of the provision made in this Demand is given below :—

Direct Demands on Revenue	1,23,75	1,21,60	1,25,31
Civil Administration	1,43,30	1,40,02	1,43,66
Miscellaneous	6,97	7,28	6,93
Extraordinary items	25	1,00	2,01

Non-implementation in full of some development schemes relating to forests, veterinary services and agriculture mainly accounts for the decrease in the revised. Budget next year provides for purchase of new engines to replace old ones and reconstruction of sea-craft and wooden lighters in the department of Ports and Pilotage and larger funds for implementation of various development schemes.

62. *Manipur* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,47,53	1,47,53	2,16,72

Broad details of the provision are—

Direct Demands on Revenue	6,10	7,33	9,98
Irrigation Works	3,25	2,00	2,00
Civil Administration	98,98	89,44	1,29,96
Civil Works and Misc. Public Improvements	11,66	11,66	14,35
Miscellaneous	21,70	31,33	53,72
Community Development Projects, and National Extension Service	5,84	5,77	6,71

The next budget provides for larger expenditure on development schemes relating to education, meidcal, industries and civil supplies, welfare of scheduled castes and scheduled tribes, community development projects and national extension service blocks and payment of contribution and grants to the Manipur Territorial Council.

63. *Tripura* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
2,39,09	2,39,09	3,29,23

A broad analysis of the provision made in this Demand is given below :—

Direct Demands on Revenue	29,31	25,32	30,91
Irrigation works	1,16	2,00	2,00
Civil Administration	1,65,02	1,48,04	2,20,34
Civil Works and Miscellaneous Public improvements	3,74	3,76	4,12
Miscellaneous	30,08	46,04	61,64
Community Development Projects and Local Development Works	9,78	13,93	10,22

Increase next year is due mainly to increased expenditure on development schemes and for payment of contributions and grants to the Tripura Territorial Council.

64. *Laccadive, Minicoy and Amindivi Islands*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
14,65	10,60	19,74

A broad analysis of the provision is given below :—

Direct Demands on Revenue	..	8	1,17
Civil Administration	10,90	8,17	13,25
Civil Works and Miscellaneous Public improvements	1,50	1,71	3,00
Miscellaneous	2,25	64	2,32

Non-implementation of certain schemes in full due primarily to non-availability of technical hands and inadequacy of means of communication accounts for the decrease in the revised. Increase next year is due mainly to more provision for development schemes and introduction of inter-island boat service.

65. *Miscellaneous Departments and Expenditure under the Ministry of Home Affairs*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
8,85,15	7,28,97	8,75,72

Smaller grants for the welfare of backward classes owing to non-implementation of some schemes in full chiefly account for the drop in the revised. Increase next year is mainly due to provision for purchase of equipment for emergency relief scheme and to larger grants for the welfare of backward classes. The provision for the Central Statistical Office, Multipurpose National Sample Survey, and for grants-in-aid and donations to States and others for statistical purposes, which had hitherto been made under this Demand, has been transferred to new Demand "Statistics" in the next year's budget.

67. *Broadcasting* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
3,79,89	3,70,34	4,01,00

Reduction in transmission hours and use of more recorded programme as a measure of economy, postponement of certain projects on account of foreign exchange difficulty, restriction on new building construction and less receipt of stores from abroad than anticipated, partly counterbalanced by increase due to adjustment of payments relating to previous years and increased payments to the Press Trust of India for news services, account for the decrease in the revised. The next budget provides for the increased activities of the All India Radio, larger expenditure on maintenance of transmitters to be completed in 1958-59 and larger purchase of stores on account of depreciation of transmitters, etc.

68. *Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
3,47,04	2,93,12	3,34,11

Economy measures in the Films Division, establishment of smaller number of Mobile Units than provided for and postponement of the establishment of National Film Board as a measure of economy have largely contributed to the decrease in the revised. Provision for production of films for Indian Council of Agricultural Research, dubbing of films in additional regional languages, production of regional editions of newsreels and increased provision for display publicity mainly account for the increased budget next year.

69. *Ministry of Irrigation and Power* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
17,37	19,64	19,67

Prolonged stay of the Indian delegation for Indus basin working party talks under the auspices of the International Bank, setting up of an organisation at the Centre to co-ordinate and compile the data received from the State Governments in connection with the Ganga basin water studies and sanction of interim relief to staff on the recommendation of the Pay Commission have mainly necessitated increase in the revised:

70. *Multipurpose River Schemes* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,60,33	1,44,52	1,28,07

Due mainly to smaller receipt of equipment under the T.C.A. Programme for flood control works and for technical training centres, expenditure during the current year is expected to be incurred only to the extent provided for in the revised The decrease in the next budget is due to smaller purchases of store,sand drop in expenditure on the Koppili and the Iddiki projects.

71. *Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
98,08	80,52	1,05,10

Drop in the revised is attributable mainly to smaller expenditure in connection with the conference of the International Commission on Irrigation and Drainage at San Francisco, non-implementation of the programme of basic and fundamental research and stoppage of grants-in-aid to a non-official body. Increased activities of the Central Water and Power Commission, larger provision for fundamental research and for the scheme of the regional load survey of the Damodar Valley Corporation chiefly contribute to the increase in the next budget.

72. *Ministry of Labour and Employment*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
16,94	14,98	17,47

Decrease in the revised is due to a number of sanctioned posts remaining vacant at the headquarters. The next budget provides for filling up of vacant posts and also for creation of new ones to cope with the increasing activities of the Ministry.

73. *Chief Inspector of Mines*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
23,84	17,42	23,04

Non-filling of some vacant posts and late sanctioning of the barrier survey scheme account for the decrease in the revised. The increase in the next budget is due to the provision for filling up of all sanctioned posts and for implementation in full of the barrier survey scheme.

74. *Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
8,66,57	6,51,38	8,80,17

The decrease in the revised is mainly in the provision for expenditure on coal mines labour welfare measures due largely to non-execution of works including miners' houses, for want of land, steel and cement, and also in the provision for the scheme for the training of educated unemployed due to setting up of fewer production centres and work-*cum*-orientation centres on a pilot basis. Next budget anticipates more expenditure on coal mines labour welfare measures, construction of miners' houses under a new housing scheme; mica mines labour welfare measures due to execution of certain constructional works; and man-power and employment schemes and schemes for the training of craftsmen under the Second Five-Year Plan.

75. *Ministry of Law* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
16,58	15,38	19,39

Expenditure on elections including that on the Election Commission and the Election Tribunals, which used to be provided for in this Demand, is with effect from the next budget being transferred to a new Demand 'Elections'. Expansion of the secretariat of the Ministry to cope with increased work is mainly responsible for the increase next year.

76. *Elections*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,55,80	1,57,53	1,81,41

This is a new Demand. The expenditure was hitherto shown in the Demand "Ministry of Law". Increase next year is due to anticipated larger reimbursement to State Governments of the Government of India's share of expenditure on elections.

77. *Miscellaneous Expenditure under the Ministry of Law*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
6,25	5,80	5,44

Smaller provision for expenditure on the Law Commission account for the decrease both in the revised and the next budget.

78. *Ministry of Rehabilitation*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
43,75	41,87	40,45

Decrease both in the revised and the next budget is due to economy measures and also to reduction of work relating to displaced persons from West Pakistan.

79. *Expenditure on displaced persons and minorities*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
22,50,26	22,33,20	20,48,25

The work of relief and rehabilitation of displaced persons is gradually diminishing and this accounts for the decrease both in the revised and the next budget.

80. *Ministry of Steel, Mines and Fuel*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
31,15	23,31	33,49

Decrease in the revised is due mainly to some posts remaining vacant and to transfer of technical and other staff to the Hindustan Steel Private Limited. The payments to Messrs. International Construction Company as remuneration for general advice for steel plants are being transferred from the next year from the project estimates of the Government steel plants to the headquarters budget of the Ministry, as the advice tendered by the Company is intended for steel plants

both in the private and public sectors. This chiefly accounts for the increase in the next budget.

81. *Geological Survey* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
95,35	1,08,61	1,31,85

Increased provision in the revised is required to meet expenditure mainly on aerial photography of an unmapped area of the Eastern Ghats region measuring 37,000 square miles for settlement of displaced persons from East Pakistan and adjustment of past debits for purchase of stores and equipment. The next budget provides for more expenditure due to expansion of activities under the Second Five-Year Plan.

82. *Exploration of Oil and Natural Gas*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
2,57,67	1,42,40	2,18,35

A considerable reduction in utilisation of services of foreign experts and a smaller programme of drilling than originally envisaged have resulted in a decrease in the revised. The increase in the next budget is due mainly to provision for training of Indian personnel, for larger number of experts expected to work for the Oil and Natural Gas Commission and for a bigger programme of geological and geophysical surveys and of drilling operations.

83. *Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
56,30,90	63,73,66	49,62,52

Provision for expenditure on the Indian Bureau of Mines and on administration of section 7 of Mines and Minerals (Regulation and Development) Act, 1948 which has hitherto been made in the Demand "Mines" is being transferred to this Demand from next year. Increase in the revised is due mainly to increased provision for transfer to the Steel Equalisation Fund of the net proceeds of surcharge as a result of increase in steel prices from 16th May 1957 and realization of arrears from main producers. Against Rs. 29·92 crores in the original budget, the transfer is now estimated at Rs. 40·74 crores. Increased payment to marginal producers and re-rollers due to increase in retention prices retrospectively with effect from 1st April 1955 has also contributed to the increase in the revised. These increases have been partly set off by a decrease in import subsidy due to fall in imports of steel on account of foreign exchange difficulty and non-arrival of shipments as scheduled. Fall in the next budget is due mainly to decrease in the amount of transfer to the Steel Equalisation Fund (Rs. 19·47 crores against Rs. 40·74 crores) and small provision for payments to marginal producers and re-rollers, partly set off by increase in the payment of import subsidy against outstanding arrival of shipments held up due to Suez crisis and also due to further commitments during 1957-58.

84. *Ministry of Transport and Communications*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
72,09	71,34	76,62

Decrease in the revised is due mainly to non-production of certain tourist publicity material which was originally proposed to be brought out during the

year. Necessary provision for this has now been made in the next budget. A part of the increase next year is due to provision for filling up of vacancies and creation of additional posts.

85. *Mercantile Marine Department*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
63,17	60,34	62,10

Decrease in the revised is due mainly to non-utilisation of the provision made in the current budget for contribution for the construction of Indian Seamen's Hostel at Madras, non-payment for the site for the Indian Seamen's Hostel building at Bombay and non-utilization of funds earmarked for starting of fourth ratings training establishment on account of delay in finalising the scheme. Funds for these purposes have now been provided for in the next year and this accounts for the increase in the next budget.

86. *Lighthouses and Lightships*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,38,56	1,09,90	1,38,96

Decrease in the revised is due mainly to postponement of the purchase of light-house tender, partly set off by more expenditure on maintenance of light-houses, boats and tenders and increased contribution to the General Reserve Fund on account of arrear adjustments and more surplus in the Revenue account than anticipated. All surplus revenue receipts of the department are transferred to this Fund. Next budget provides for creation of new posts and filling up of existing vacancies, commissioning of new light-houses and purchase of additional motor boats.

87. *Central Road Fund*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
4,28,19	4,03,40	4,28,99

This Demand accommodates provision for transfer to the Central Road Fund of its share of customs and Union excise duties on motor spirit as also for Central expenditure financed from the Fund. A provision of Rs. 3·75 lakhs for block transfer to the fund has been made in the revised estimate for the current year against this year's provision of Rs. 400 lakhs, due to less receipts than anticipated from customs and excise duties. Next budget provides for Rs. 400 lakhs in view of the anticipated improvement in revenue. Increase in the next budget for the Central expenditure met from the Fund is due mainly to expected accelerated progress of works in Tripura and Himachal Pradesh.

88. *Communications (including National Highways)*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
5,72,68	5,83,18	6,03,69

Larger provision for repairs to national highways in Jammu and Kashmir, Assam and Sikkim damaged by floods chiefly accounts for the increase in the revised. The increase in the next budget is due mainly to larger transfer to revenue of expenditure on grants to States for development of roads of economic and inter-State importance and provision for repair of damaged roads in North East Frontier Agency, Tripura and Sikkim, partly counterbalanced by smaller purchases of tools and plant as a result of diminished demand of the State Governments.

89. *Indian Posts and Telegraphs Department*:

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
62,43,93	63,66,22	66,14,15

An analysis of the expenditure incurred in this Department is shown in Statement VIII. Increase in the revised is due mainly to provision for additional dearness allowance sanctioned as a result of interim recommendation of the Pay Commission, larger expenditure on printing of postal stamps and stationery due to introduction of decimal coinage and increase in interest charges payable to General Revenues due to increase in the rate of interest. Full year's dearness allowance mentioned above and normal expansion of posts and telegraphs services account for the increase in the next budget.

90. *Meteorology* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,52,29	1,47,09	1,61,46

Decrease in the revised is due mainly to a number of posts remaining vacant and a fall in the number of weather and other telegrams. The next budget provides for filling up of existing vacant posts, creation of new ones and purchase of more equipment to meet increased requirements of the Department.

91. *Overseas Communications Service* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,21,59	1,19,99	1,23,76

Fall in interest and depreciation charges due to lesser capital expenditure than anticipated mainly accounts for the decrease in the revised. The increased in the next budget is due largely to the provision for filling up of vacant posts and creation of new ones and also to the change in classification of the expenditure on purchase of tapes from 'Capital' to 'Revenue'.

92. *Aviation* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
3,56,63	3,48,99	3,79,52

Delay in receipt of certain tele-communication equipment indented for under the T.C.A. programme is chiefly responsible for the decrease in the revised. The increase in the next budget is due mainly to increase in the operational activities as a result of steady increase in the number of aerodromes, provision for additional remote control lines and teleprinter circuits, provision for aeronautical communication facilities at Kabul and Khandhar and purchase of tele-communication equipment under T.C.A. programme.

93. *Miscellaneous Departments and other expenditure under the Ministry of Transport and Communications* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,57,94	99,53	1,38,68

Decrease in the revised is due mainly to reduced provision for subsidy to ship-building industry owing to smaller turnover than anticipated, non-implementation of certain schemes of development of inland water transport on account of shortage of foreign exchange, delay in finalisation of the scheme for development of Pandu Port, postponement of the Sethusamudram project beyond the Second Five-year Plan and less expenditure on the monitoring organisation owing to delay in the supply and adjustment of the cost of equipment. Budget next year provides for larger subsidy to ship-building industry due to anticipated improvement in the construction programme and for increased expenditure on development of inland water transport.

94. *Ministry of Works, Housing and Supply* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
56,01	52,80	56,71

Decrease in the revised is due mainly to certain posts remaining unfilled and non-implementation of the scheme of separation of accounts from audit relating to works expenditure. Expansion of the Ministry and the Pay and Accounts Office to cope with the increased activities and provision for a whole year of the additional dearness allowance sanctioned on the interim recommendation of the Pay Commission mainly account for the increase in the next budget.

95. *Supplies* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
2,61,14	2,84,70	2,71,95

Larger provision for litigation charges and for payment of decretal amounts increased expenditure on the Railway cell of the India Stores Department, London, increase in expenditure on inspection charges paid to outside agencies are responsible for increase in the revised. Decrease in the next budget is due mainly to smaller provision for litigation charges and decretal amounts.

96. *Other Civil Works* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
21,00,04	24,41,66	25,53,88

The additional provision in the revised has been made mainly for purchase of heavy machinery for maintenance of Tribhuvan Rajpath. A part of the increase in the revised is also to meet expenditure on arrears of rent and taxes pertaining to previous years in respect of leased and requisitioned buildings in Calcutta and Bombay. Provision for more works in Naga Hills-Tuensang Area, for works pertaining to the Indian Institutes of Technology at Bombay, Kharagpur, Madras and Kanpur and for maintenance of buildings recently acquired at Nagpur, Bombay and other places accounts for increase in the next budget.

97. *Stationery and Printing* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
6,89,77	6,78,57	7,19,67

Unfilled posts and smaller purchases of stores and equipment, particularly for presses, partly counterbalanced by larger payments for printing work done at

private presses, account for the decrease in the revised. The next budget provides for more purchases of plant, machinery and stores for expansion of presses to cope with the increased demand on them.

98. *Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
89,86	80,73	88,56

Decrease in the revised is due mainly to less provision required for write-back to revenue of capital expenditure on grants for development works, partly counterbalanced by provision for arrears of corporation taxes on Central buildings at Bombay and Calcutta, electricity and water charges on multi-storeyed buildings in New Delhi, and increased expenditure in England on purchase of stores. The next budget provides for more writeback to revenue of capital expenditure on grants for development works. The provision for pilot scheme for training of brick layers and building contractors at New Delhi made in this Demand in the current year has been transferred to the Demand 'Other Civil Works' from the next year.

99. *Department of Atomic Energy* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
8,70	7,79	9,08

Increase in the next budget is accounted for by additional posts, normal increments to staff and their leave salary.

100. *Atomic Energy Research* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
3,10,00	2,30,00	3,30,80

Non-availability of suitable technical and scientific personnel to fill vacancies smaller purchases of beryl ore due to fall in production and smaller expenditure on grants to research institutions have resulted in a decrease in the revised. Increase in the next budget is due mainly to larger provision for research expenditure.

102. *Lok Sabha* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
1,21,36	1,04,65	1,03,70

Decrease in the revised is due partly to longer interval than anticipated between the dissolution of the first Lok Sabha and commencement of the second Lok-Sabha and partly to non-utilisation of the provision for payment to Railways for cost of passes issued to members. Owing to delay in finalisation of the accounts of payment due to Railways for passes utilised in 1956-57 an *ad hoc* payment was made in that year. Further payments will be made on receipt of final accounts and after adjustment of payment already made. This is likely to take some time and as such no expenditure on this account is anticipated in the current year.

104 *Rajya Sabha* :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
37,59	31,69	33,92

Decrease in the revised is due mainly to lesser expenditure on travelling and daily allowances of members consequent on shorter duration of sessions than anticipated and to smaller expenditure on railway journeys performed by members on free passes. The next budget provides for more expenditure on travelling and daily allowances of members and for additional posts.

Charged—Union Public Service Commission :

Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
36,74	44,39	42,05

The need for additional provision in the current year has arisen as a result of an all round increase in the work of the Commission due to increase in the number of examinations conducted and in the number of candidates examined and interviewed. The drop in the next budget is due to lesser provision for additional posts

STATEMENT VIII

Statement showing the Profit and Loss of different Branches of Indian Posts and Telegraphs Department

(In thousands of Rupees)

HEADS	Post Offices				Telegraphs				Telephones				Radios				Total			
	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59	Actuals, 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59	Actuals 1956-57	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
GROSS RECEIPTS																				
(i) Postage and Message Revenue	28,07,32	31,10,10	29,64,86	31,16,20	6,46,31	6,65,74	6,51,72	6,62,91	..	..	..	..	6,08	4,91	6,18	6,19	34,59,71	37,80,75	36,22,76	37,85,30
(ii) Miscellaneous Revenue	4,67,27	5,09,37	4,79,61	5,00,34	1,22,28	1,71,81	1,48,68	1,38,33	16,30,51	17,41,88	18,15,91	19,37,96	3,97	3,69	2,04	2,07	22,24,03	24,26,75	24,46,24	25,78,70
TOTAL	32,74,59	36,19,47	34,44,47	36,16,54	7,68,59	8,37,55	8,00,40	8,01,24	16,30,51	17,41,88	18,15,91	19,37,96	10,05	8,60	8,22	8,26	56,83,74	62,07,50	60,69,00	63,64,00
EXPENDITURE																				
General Administration	27,28	28,14	30,60	33,37	81,46	79,08	77,72	86,15	1,44,77	1,81,78	1,57,54	1,91,83	4,05	6,12	5,91	8,92	2,57,56	2,95,12	2,71,77	3,20,27
Account and Audit	84,45	88,00	89,14	91,23	28,48	30,45	30,69	31,32	16,27	20,02	19,01	18,82	1,34	1,33	1,43	1,48	1,30,54	1,39,80	1,40,27	1,42,85
Control—Circle Office	78,43	84,90	85,21	98,26	17,42	17,41	17,62	18,18	12,92	12,27	13,10	14,42	64	77	68	82	1,09,41	1,15,35	1,16,61	1,31,68
Engg. Expenses	..	..	..	..	1,36,81	1,52,43	1,49,96	1,62,11	44,52	50,69	49,34	53,84	6,03	6,95	6,56	7,11	1,87,36	2,10,07	2,05,86	2,23,06
Pensionary Charges	1,54,63	1,83,99	1,61,04	1,68,62	39,80	42,20	40,08	41,90	36,26	31,33	41,53	44,63	1,81	2,06	1,93	2,03	2,32,50	2,59,58	2,44,58	2,57,18
Stamps, Postcards, Printing and Stationery	2,03,15	2,36,50	2,89,56	2,56,88	24,03	23,39	27,05	27,59	9,11	12,03	9,57	10,41	1,44	1,62	1,50	1,65	2,37,73	2,73,54	3,27,68	2,96,53
Maintenance of Assets	40,55	47,24	46,59	46,65	60,84	73,14	75,24	78,29	1,62,28	1,72,33	1,84,47	2,07,61	3,72	4,77	5,18	4,94	2,67,39	2,97,48	3,11,48	3,37,49
Postal Expenses (including cost of combined offices)	28,33,41	31,92,36	32,92,12	33,31,36	..	..	..	..	..	..	..	..	..	..	..	..	28,33,41	31,92,36	32,92,12	33,31,36
Telegraph Traffic Expenses (excluding cost of combined offices)	..	..	..	..	2,45,91	2,62,73	2,76,95	2,90,51	..	..	..	..	..	..	..	..	2,45,91	2,62,73	2,76,95	2,90,51
Radio Expenses	..	..	..	..	..	..	..	..	..	..	..	..	13,10	15,40	15,44	17,18	13,10	15,40	15,44	17,18
Telephone Expenses	..	..	..	..	..	..	..	..	4,82,80	5,60,59	5,56,40	6,27,25	..	..	..	..	4,82,80	5,60,59	5,56,40	6,27,25
Contribution to Renewals Reserve Fund	3,00	6,00	45,00	45,00	30,00	60,00	60,00	60,00	91,00	1,82,00	1,43,00	1,43,00	1,00	2,00	2,00	2,00	1,25,00	2,50,00	2,50,00	2,50,00
Contribution to Telephone Development Fund	..	..	..	..	..	..	..	..	73,79	65,00	65,00	65,00	..	..	..	..	73,79	65,00	65,00	65,00
Inter-Branch Adjustments	(—)1,27,48	(—)1,27,65	(—)97,68	(—)98,06	(+)78,61	(+)76,14	(+)15,49	(+)15,08	(+)65,98	(+)61,28	(+)96,13	(+)96,04	(—)17,11	(—)9,77	(—)13,94	(—)13,06	..	..	..	..
TOTAL	32,97,42	37,39,48	39,41,58	39,73,31	7,43,36	8,16,97	7,70,80	8,11,13	11,39,70	13,49,32	13,35,09	14,72,85	16,02	31,25	26,69	33,07	51,96,56	59,37,02	60,74,16	62,90,36
Deduct—Credits to working expenses	1,73,18	1,88,12	1,83,47	1,89,67	81,34	58,85	69,68	77,81	1,38,02	1,52,17	1,52,16	2,02,11	55	1,87	1,57	4,93	3,93,09	4,01,01	4,06,88	4,74,52
Net Working Expenses	31,24,24	35,51,36	37,58,11	37,83,64	6,62,02	7,58,12	7,01,12	7,33,32	10,01,68	11,97,15	11,82,93	12,70,74	15,47	29,38	25,12	28,14	48,03,41	55,36,01	56,67,28	58,15,84
Interest on Debt	17,73	20,64	18,63	27,82	95,08	1,05,00	1,04,61	1,11,83	1,32,42	1,47,51	1,51,55	1,69,57	3,07	4,08	3,44	4,94	2,48,30	2,77,23	2,78,23	3,14,16
GRAND TOTAL	31,41,97	35,72,00	37,76,74	38,11,46	7,57,10	8,63,12	8,05,73	8,45,15	11,34,10	13,44,66	13,34,48	14,40,31	18,54	33,46	28,56	33,08	50,51,71	58,13,24	59,45,51	61,30,00
Profit (+) or Loss (—)	(+)1,32,62	(+)47,47	(—)3,32,27	(—)1,94,92	(+)11,49	(—)25,57	(—)5,33	(—)43,91	(+)4,96,14	(+)3,97,22	(+)4,81,43	(+)4,97,65	(—)8,49	(—)24,86	(—)30,34	(—)24,82	(+)6,32,03	(+)3,94,26	(+)1,23,49	(+)2,34,00

SECTION II

CAPITAL RECEIPTS AND DISBURSEMENTS

SECTION II

CAPITAL BUDGET

Introductory Notes

This Section explains the estimates of the Receipts and Disbursements on Capital Account of the Central Government. These cover receipts and payments on capital schemes financed by the Central Government, borrowings from the home market or abroad, in the form of regular loans and treasury bills and Small Savings which comprise mainly the Postal Savings Bank, the National Plan Savings Certificates issued through Post Offices, Treasury Savings Deposits, sold through the Public Debt offices, Treasuries and Sub-treasuries etc. They also cover a variety of other items such as State Provident Funds, various deposits under the Income-tax Act, depreciation and reserve funds of departments like Railways and Posts and Telegraphs, special *ad hoc* funds created from time to time by Government and so on. It is difficult, in the compass of abrief note, to indicate fully the scope and variety of these miscellaneous items but details of these are given in Statement C of the Annual Financial Statement.

The capital requirements of Government are ordinarily met from four sources. Firstly, regular loans are floated and, in the case of short term requirements, treasury bills are issued, ordinarily for a period of 91 days at a time. Secondly, there is the flow of money through Postal Savings Bank and other Small Savings Schemes. Thirdly, there are the receipts into the various depreciation, reserve and other funds, and under the deposit heads. Further , any sum provided in the revenue budget for reduction or avoidance of debt or for debt redemption is also available, as it is transferred to capital by debit to the revenue budget. To the extent to which the net receipt from these sources is insufficient to meet the capital requirements the deficit has to be made good from revenue, the accumulated cash balances, and if neither is available , by the sale of *ad hoc* treasury bills to the Reserve Bank. Conversely, any surplus of capital receipts over disbursements is available for covering a revenue deficit or for augmenting the cash balan ces of Government.

The statement on the following two pages summarises the capital transactions included in the budget for the current and ensuing years and indicates the sourc es from which capital requirements will be met.

SUMMARY OF CAPITAL

RECEIPTS

(In lakhs of Rupees)

	Account, 1956-57	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
New Loans	168,58	2,09,93	14,24	429,76
15-Year Annuity Certificates	42	80	50	1,65
Inter-State Settlement	1,55	..	..	..
Net receipts from :				
Treasury Bills	2,40,45	2,75,000	3,80,00	2,05,00
Treasury Savings Deposit Certificates	3,01	4,30	5,20	17,00
Post Office Savings Bank Deposits	28,65	41,00	18,00	25,00
12-Year National Plan Saving Certificates	..	..	62,00	86,00
Cumulative Time Deposits	..	..	..	2,50
Post Office Cash Certificates	—1,10	—66	—95	—90
National Savings Certificates	19,07	23,70	—22,10	—26,57
Defence Savings Certificates	—4	—4	—5	—3
National Plan Certificates	9,00	11,00	—2,50	—4,50
Other Unfunded Debt	18,84	19,12	18,90	19,53
Railway Depreciation, Revenue Reserve and Development Funds	6,31	22	—11,58	—28,44
Telephone Development Fund	51	—10	25	—1,15
P & T Renewals Reserve Fund	24	1,58	1,58	1,45
Other Miscellaneous Reserve Funds	4	—85	—66	—50
Appropriation for Reduction or Avoidance of Debt	5,00	5,00	5,00	5,00
Deposits under Income Tax Act (Net)	— 2,83	14,59	3,48	6,83
Discount Sinking Fund (Net)	— 1,48	1,59	63	1,73
Payment by Reserve Bank for Rupee Coin	5,00	5,00	5,00	5,00
Repayment of Loans by States	34,60	44,12	94,30	62,22
Other Loan Repayments	7,49	11,80	16,95	12,40
Other Deposits and Advances (Net)	36,11	1,79,42	92,47	71,60
TOTAL	5,79,42	8,46,52	8,80,66	8,90,65
Deficit on Capital Account	33,70	44,81	5,54	..
	6,13,12	8,91,33	8,86,20	8,00,65

TRANSACTIONS

DISBURSEMENTS

(In lakhs of Rupees)

	Account, 1956-57	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Capital Outlay :				
Railways	1,07,38	1,24,17	1,38,47	1,38,84
Irrigation	28	17	13	19
Posts and Telegraphs	9,59	9,85	11,01	10,82
Schemes of Agricultural Improvement and Research	4,44	2,42	1,67	1,79
Industrial Development	66,34	1,85,92	1,52,26	1,93,09
Aviation	2,47	2,88	2,82	3,29
Broadcasting	1,24	1,65	1,02	1,15
Ports	4,02	5,29	3,70	3,93
Currency and Coinage	—44	—3	—22	69
Mint	18	72	48	46
Delhi Capital Outlay	6,91	7,38	7,38	6,45
Multi-purpose River Schemes	2,25	3,72	3,30	4,22
Electricity Schemes	42	37	27	54
Civil Works	16,43	11,37	16,22	15,28
Commutation of Pensions	—46	—31	—35	—33
Sterling Pensions	—8,90	—8,85	—8,85	—24,89
Defence Capital Outlay	19,70	23,54	24,93	27,00
Schemes of Government Trading	11,67	49,35	44,15	2,91
Developpment Grants	10,16	10,15	10,31	8,69
Compensation to Displaced Persons	19,87	19,91	15,54	13,33
Dandakaranya Development Scheme	..	..	25	3,00
Shipping and Tankers, etc.	70	1,64	1,23	58
Transfer of Development assistance from the Government of U.S.A.	..	95,30	35,02	78,47
Other Works	2	3,52	83	1,50
Other Civil Heads	24	38	25	35
Discharge of Permanent Debt	83,23	38,74	72,77	28,15
Discharge of Special Floating Debt	..	..	4,80	3,43
Inter-State Settlement	16	1,45	1,45	12
Advances to State Governments	1,98,32	2,33,37	2,82,83	2,97,32
Other Loans and Advances	56,90	67,20	62,53	55,60
TOTAL	6,13,12	8,91,33	8,86,20	8,57,97
Surplus on Capital Account	..	..	..	32,68
	6,13,12	8,91,33	8,86,20	8,90,65

NOTES ON CAPITAL TRANSACTIONS

RECEIPTS

New Loans.—The current budget took credit for a market loan of Rs. 100 crores, Rs. 90 lakhs for II D.V.C. Loan from the International Bank for Reconstruction and Development, Rs. 36 crores from U.S.S.R. for the Bhilai Project and Rs. 18·03 crores were to come out of Technical Co-operation Aid Programme and Rs. 55 crores under P.L. 480 for purchase of certain commodities like wheat, rice, etc.

Revised Estimates have been placed at Rs. 214·24 crores. Of these Rs. 136·16 crores are on account of 3 new Loans floated this year, namely, (*i*) 3¾ per cent National Plan Bonds—Fourth Series (3¾ per cent 1967), (*ii*) 4 per cent Loan, 1972, and (*iii*) Re-issue of 3¼ per cent Bonds, 1962. The II D.V.C. Loan from the I.B.R.D. will now be for Rs. 80 lakhs only. The loan receipts from U.S.S.R. are now estimated at Rs. 15 crores, whereas Rs. 18·33 crores are expected from U.S.A. under the Technical Aid Programme. Revised Estimates also include a credit for Rs. 29·28 crores on account of the Second Railway Project Loan from the World Bank negotiated this year and Rs. 67 lakhs from the U.K. Syndicate of Banks (Messrs. Lazard Brothers) for the Durgapur Steel Project and Rs. 14 crores from West Germany on account of deferred payment for plants and equipment for the Steel Project at Rourkela.

Next Budget assumes new market loans of Rs. 145 crores, Rs. 22 lakhs for the II D.V.C. Loan Rs. 13·56 crores for the Second Railway Project Loan, Rs. 35 crores from the U.S.S.R. for Bhilai Steel Project and Rs. 190·85 crores from U.S.A. Of the loan from U.S.A. Rs. 22·85 crores would come under the Technical Co-operation Aid Programme, Rs. 68 crores under Public Law 480 against the purchase of certain commodities like wheat, rice, cotton, etc., and Rs. 100 crores under the aid of $225 million announced recently. Budget also assumes a deferred credit of Rs. 30 crores from West Germany for the Rourkela Project and Rs. 15·13 crores as loans from other foreign sources. The total credit under new loans accordingly amount to Rs. 429·76 crores.

15-Year Annuity Certificates.—The first series of these certificates were introduced with effect from 1st July, 1954 and are intended to cater for those who wish to secure regular monthly income against a lump sum investment. An initial investment of Rs. 3,500 , Rs. 7,000, Rs. 14,000, or Rs, 28,000 in these series secured the depositors monthly income, free of income-tax, of Rs. 25, Rs. 50, Rs. 100 and Rs. 200 respectively for a period of 15 years commencing after the expiry of one calendar month from the date of purchase.

In conformity with the increase in interest rates on other small savings investments, the first series of these certificates were discontinued and a second series introduced with effect from 2nd January, 1958, the return on which is 4·25 per cent as compared with 3·5 per cent on the earlier series. While the monthly instalments of re-payment of principal and interest remain the same, the increase in the rate of interest has been given effect to by reduction in the initial purchase prices. Thus the investment of Rs. 3,325 Rs. 6,650, Rs. 13,300 or Rs. 26,600 secures a monthly payment, free of income-tax, of Rs. 25, Rs. 50, Rs. 100, or Rs. 200, as the case may be for a period of 15 years. The maximum purchase by a single individual is limited to Rs. 26,600 and by two holders to Rs. 53,200 but if the two series are taken together, the maximum limits are Rs. 28,000 and Rs. 56,000 respectively.

Sales of these certificates during the current year are estimated at Rs. 50 lakhs. Budget next year at Rs. 1·65 crores allows for improvement following the increased yield announced this year.

Treasury Bills.—Against the current budget of Rs. 275 crores, the net expansion of Treasury Bills is now estimated at Rs. 380 crores. The increase in mainly due to the throw forward of the foreign aid from U.S.A. for approved projects against rupee payments made for commodities received under P.L. 480 aid programme, decrease in the revenue surplus following additional payments to the States as a result of the Finance Commission's award and lesser collections of Small Savings than originally estimated. For next year a net expansion of Rs. 205 crores has been assumed.

On the basis of these estimates the outstanding balance of Treasury Bills on 31st March, 1958 and 31st March, 1959 will amount to Rs. 1215·70 crores and Rs. 1420·70 crores respectively.

Treasury Savings Deposit Certificates.—10-Year Treasury Savings Deposit Scheme was introduced with effect from 1st February 1951. Under this Scheme, deposits in multiples of Rs. 100 are accepted at the Offices of the Reserve Bank of India, branches of the State Bank of India conducting Government treasury business, District treasuries and subtreasuries. These deposits, individual holdings in which are limited to Rs. 25,000 and joint holdings to Rs. 50,000 run for ten years and formerly carried interest at 3½ per cent, free of income-tax, interest being paid annually. The depositors have an option of withdrawing the deposits before maturity, but after the initial lock up period of one year, on refunding a part of the interest drawn by them.

The rate of interest on these Certificates was increased from 3½ per cent to 4 per cent with effect from 1st June, 1957. It was also decided to issue these Certificates in multiples of Rs. 50, instead of Rs. 100 as previously, with effect from 2nd January, 1958. As a further measure to step up collections, a decision was taken in January, 1958 to allow the sale of these Certificate through authorised agents on a commission of ½ per cent.

Current budget assumed net receipts on account of these Certificates at Rs. 4·3 crores. On the trend of latest actuals, Revised Estimates have been placed at Rs. 5·2 crores. With the intensive drives conducted by the State Governments, increased interest rate allowed this year and the proposed sale of these Certificates through authorised agents, collections next year are expected to show considerable advance over the current year's figures. Budget, accordingly, assumes a net credit of Rs. 17 crores.

Post Office Savings Bank Deposits.—With a view to bring the yield on Post Office Savings Bank in line with the prevailing interest rates, which were showing signs of hardening, interest on Post Office Savings Bank deposits was increased from 2 per cent to 2½ per cent, free of income-tax, on balances up to Rs. 10,000 (Rs. 20,000 in the case of joint accounts) and from 1½ per cent to 2 per cent, free of income-tax, on balances exceeding Rs. 10,000 (Rs. 20,000 in the case of Joint accounts). The maximum holding for one person in the Post Office Savings Bank remains at Rs. 15,000 and for two persons jointly at Rs. 30,000. No limit are applicable for public accounts on which interest has also likewise been increased from 1½ per cent to 2 per cent.

Current year's Budget assumed a net receipt of Rs. 41 crores from Post Office Savings Bank. The gross deposits on the trend of latest actuals have been estimated at Rs. 174 crores against Rs. 196 crores in the current budget; likewise withdrawals at Rs. 156 crores are expected to exceed the budgeted figure of Rs. 155 crores. The net receipts for the Revised have, accordingly, been assumed at Rs. 18 crores including Rs. 6·35 crores for adjustment of interest. No precise reasons for this fall are available which may be due to several factors such as rise in prices and the consequential decline in the margin of savings, preference for investments in commodities which might be more profitable, diversion of savings to commercial banks which are offering better yields, etc.

Next Budget, at Rs. 25 crores (net), including Rs. 8·07 crores on account of interest, allows for some improvement as a result of the intensive measures taken by both the Central and State Governments to step up collections.

12-Year National Plan Savings Certificates.—Mention was made in the Budget Speech of the current year about the increase in the interest rates on Small Savings investments with effect from 1st June, 1957. A new series of 12-Year National Plan Savings Certificates was introduced in replacement of the former 7 and 12 years National Savings Certificates and 10-Year National Plan Certificates. The new 12-year Certificates carry a yield of 5·41 per cent simple or 4·25 per cent compound as compared with the yields of 4·16 per cent simple or 3·5 per cent compound on the former 12-year National Savings Certificates and 4·5 per cent simple or 3·75 per cent compound on the 10-year National Plan Certificates. An investment of Rs. 100 entitles the purchaser to an income-tax free return of Rs. 165 on maturity after 12 years as compared with Rs. 150 on the former 12-year National Savings Certificates. An individual can purchase Certificates up to Rs. 25,000 in his name and up to Rs. 50,000 Jointly with another person. Charitable institutions are allowed to invest up to Rs. 60,000 whereas for other Local Authorities, Co-operative Societies etc., the maximum limit is Rs. 1 lakh. No limit is laid down for the investment of Provident Fund balances in these Certificates.

Cumulative Time Deposits.—In order to attract the savings of those who have regular incomes, a new scheme entitled "Cumulative Time Deposit Scheme" has been approved in principle and is expected to be introduced early next year. Option will be given to the investors to make deposits for a period of five or ten years, the maximum amount being limited to Rs. 12,000 singly or Rs. 24,000 jointly with another person, *i.e.*, Rs. 100 per month for a ten-year deposit or Rs. 200 per month for five years in the case of a single person, the limits for joint holdings being double of these figures. Withdrawals will be permitted once in a 5-year account and twice in a 10-year account up to 50 per cent of the deposits made up to the date of withdrawal, on which interest will be charged at 6 per cent. On a monthly payment of Rs. 10 per month made regularly, the investor would be entitled to receive Rs. 650 at the end of five years or Rs. 1,450 at the end of ten years. This would give a yield of 3·264 per cent on a 5-year deposit and 3·795 per cent on a 10-year deposit.

The Budget next year assumes a credit of Rs. 2·5 crores on this account.

Post Office Cash Certificates.—With the issue of National Savings Certificates in 1943, Postal Cash Certificates ceased to attract investments. Their issue was, therefore, discontinued with effect from the 15th June, 1947. The

total discharges this year and the next year are estimated at Rs. 95 lakhs and Rs. 90 lakhs respectively.

National Savings Certificates.—With the general increase in interest rates, the former 7 and 12 years National Savings Certificates were discontinued with effect from 1st June, 1957 and replaced by National Plan Savings Certificates to which a reference is made above.

The Revised Estimates have accordingly been placed at a net discharge of Rs. 22·1 crores after allowing for the sales effected during the first two months of the current financial year. Budget assumes a net discharge of Rs. 26·57 crores including Rs. 7 lakhs on account of Certificates issued by the former Hyderabad State.

Defence Savings Certificates .—These Certificates, which were issued during the last war, were discontinued in October, 1943, when National Savings Certificates were introduced. Provision now made is for the gradual discharge of the outstanding Certificates. The total discharges this year and the next year are estimated at Rs. 5 lakhs and Rs. 3 lakhs respectively.

10-Year National Plan Certificates.—These were issued with effect from 10th May, 1954 in denominations of Rs. 25 and Rs. 50 to encourage small investors, particularly in the rural areas. Two fresh denominations of Rs. 100 and Rs. 500, were introduced with effect from 1st November, 1954 and two further denominations of Rs. 5 and Rs. 10 were added with effect from 1st November 1955 to afford a wider coverage. These Certificates were issued only to individuals and the maximum holding which was earlier fixed at Rs. 1,000 per person or Rs. 2,000 by two persons jointly and which was later increased to Rs. 2,500 and Rs. 5,000 respectively with effect from 10th May, 1955, gave a return of 3·75 per cent per year compound interest, free of income-tax.

With the introduction of 12-year National Plan Savings Certificates with effect from 1st June, 1957, the sale of 10-year National Plan Certificates was discontinued. Revised Estimates include a provision of Rs. 2·5 crores for the discharge of these Certificates after allowing for the sales made during the first two months of the current year. Budget provides for a discharge of Rs. 4·5 crores.

Other Unfunded Debt.—The transactions mainly relate to State Provident Funds and provision has been made for the net anticipated credit. The rate of interest allowed to the subscribers to these funds, other than some earlier subscribers who are entitlied to a minimum guaranteed rate of 4 per cent is determined every year on the basis of the average redemption yield during the five calendar years immediately preceding from all Government of India rupee loans, with unexpired terms exceeding 5 years, rounded off to the nearest quarter. The rate for the current and the next year continues at $3\frac{3}{4}$ per cent.

The Estimates assume the net increase in investment under this head of Rs. 18·9 crores this year and Rs. 19·53 crores next year.

Railway Depreciation, Revenue Reserve and Development Funds.—Provision has been made for the anticipated transactions details of which appear in the Railway Budget.

Telephone Development Fund .—In connection with the scheme for advance collection of a part of telephone rents from those who elect to own their

telephones, the lump sum recovered from the subscribers is credited to this Fund and is utilised in financing capital expenditure on telephones. The amounts collected are initially credited to Revenue and the corresponding payments to the Fund are treated as Expenditure. The appropriations from the Fund are taken in reduction of the capital expenditure on Posts and Telegraphs.

The credits to the Fund this year are estimated at Rs. 65 lakhs and the withdrawals at Rs. 40 lakhs. Next year Rs. 65 lakhs will be paid into the Fund and Rs. 180 lakhs withdrawn from the Fund.

Posts and Telegraphs Renewals Reserve Fund.—The Reserve Fund is designed to meet the cost of all replacements and abandoned assets. Current Revised takes a contribution (including interests) from Revenue to the Reserve Fund of Rs. 2·73 crores and withdrawals from the Fund of Rs. 1·15 crores and Budget assumes a similar credit to the Fund of Rs. 2·78 crores and withdrawals of Rs. 1·33 crores.

Other Miscellaneous Reserve Fund.—This head accommodates transactions relating to the Reserve Funds of the various Departments of the Government of which the important ones are General Reserve Fund (Lighthouses and Lightships), Renewal Reserve Fund (Salt), Depreciation Reserve Fund (Overseas communication service) and Depreciation Reserve Fund (Visakhapatnam Port).

Appropriation for Reduction or Avoidance of Debt.—Credit is taken under this head for the usual amount of Rs. 5 crores provided from Revenue for Reduction or Avoidance of Debt.

Deposits under Income-Tax Act. (Net).—As against the net credit of Rs. 14·59 crores assumed in the Budget the credits this year are estimated at Rs. 3·48 crores and next year at Rs. 6·83 crores. The gross deposits from companies under sub-section (2B) of Section 10 of Income Tax Acr, 1922 are now estimated at Rs. 4 crores as compared with Rs. 30 crores in the original Budget. Next year's estimates include Rs. 10 crores as deposits and Rs. 3 crores as withdrawals.

Discount Sinking Fund (Net).—When loans are issued at discount, the discount is debited to this head and credit for face value of loan taken under "Permanent Debt". The discount initially taken to this head is written back to Revenue and debited to Interest over the period for which the loan is issued. The Revised Estimates take into account a credit of Rs. 1·59 crores representing the recoveries from Revenue on account of discount paid on loans floated in earlier years, partly set off by the discount of Rs. 96 lakhs in respect of the two loans issued at discount during the current year.

No provision is included in the Budget for the discount on the new loans to be floated next year as the terms are settled only at the time of issue of the loans. Budget provides Rs. 1·73 crores as recovery from Revenue of discount on earlier loans.

Payment by Reserve Bank for Rupee Coins.—Credit is taken here for the payment of Rs. 5 crores made by the Reserve Bank under section 36 of the Reserve Bank Act for rupee coins taken by it from Government.

Repayments of Loans by States and other Loan repayments.—The principal portion of all repayments is taken here and interest receipts are taken in reduction of expenditure under interest in the case of the Station and as Revenue under "XX-Interest" in other cases.

The large increase of over Rs. 50 crores in Revised against "Repayment of Loans by States" is on account of the repayment of 'Ways and means' advances allowed to the States in the current year which were adjusted against the States, shares of Central taxes and grants under the award of the second Finance Commission. Next year's provision include repayment of 'ways and means, advances amounting to Rs. 20 crores likely to be given to the States during that year.

Other Deposits and Advances (Net).—This head records the net effect of the transactions occurring under the remaining Debt Deposits and Remittance heads. The shortfall in the Revised is due mainly to the throw-forward of the assistance from U.S.A. under PL. 480.

DISBURSEMENTS

NOTE.—The explanations below relate to the figures by Major Heads given in the summary of capital transactions. These figures do not agree with those shown in the individual Demands. This is due to two factors. In the first place, in most cases, the same Major Head would appear in more than one Demand and secondly, while recoveries are taken in the accounts in reduction of expenditure, the figures in the Demands are for gross expenditure excluding recoveries.

Railways.—Details appear in Railway Budget.

Irrigation.—Revised provides Rs. 3·36 lakhs and Rs. 10 lakhs for the Union Territories of Delhi and Tripura respectively for certain irrigation works. Budget likewise includes Rs. 14·91 lakhs for Delhi, Rs. 4·5 lakhs for Tripura and Rs. ·05 lakh for Himachal Pradesh.

Posts and Telegraphs.—The distribution of the provision is given below :—

(In lakhs of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Postal	1,70·23	82·98	1,23,·91
Telegraphs	2,34·06	3,46·90	2,03.06
Radios	15·16	15·58	24·72
Telephones	6,40·55	6,95·54	9,10.31
Fair Price Shops	..	—00·13	..
Deduct—Amount met from Telephone Development Fund	—75·00	—40·00	—1,80·00
TOTAL	9,85·00	11,00.87	10,82·00

Schemes of Agricultural Improvement and Research.—Provision is made under this head for capital expenditure on various schemes for development and research in agriculture, such as, marine fisheries, Grow More Food Campaign in Union Territories and expansion of research centres of which mention may be made of the Indian Agriculture Research Institute, the Central Potato Research Institute, the Central Rice Research Institute, the Sugar and Sugarcane Research and Breeding Institutes, Central Control Laboratories, etc.

Budget includes Rs. 40 lakhs for contribution to the National Co-operative Development and Warehousing Board Rs. 42 lakhs have also been provided in the next year's Budget for the Delhi Milk Supply Scheme.

Industrial Development.— Details of the provision are indicated below :—

(In lakhs of Rupees)

		Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
	Department of Atomic Energy			
1.	Acquisition of Lands for Atomic Energy Establishment and Atomic Minerals Division	10·00	1·00	10·00
2.	Buildings for the Atomic Energy Establishment and Atomic Minerals Division	22.40	27·90	102.00
3.	Purchase of shares of the Corporation for Mineral Sand Separation Industry	.50	..	..
4.	Investment in Indian Rare Earths (Private) Ltd.	·50	..	..
5.	Other Development Expenditure of Atomic Energy Department	20·00	5·00	50·00
6.	N.R.X. Reactor	165·00	100·00	93·00
7.	Pilot Plant at Ghatsila	1·00	1·00	2·20
8.	"Apsara" Reactor	·50	5·00	.50
9.	Thorium Uranium Plant.	·10	·10	2·30
10.	Uranium Metal Processing Plant	15·00	10·00	16·00
11.	Zerlina Reactor	40·00	10·00	50·00
	Ministry of Commerce and Industry			
12.	Institute of Small Scale Industries	85·00	38·98	9·80
13.	Investment in State Trading Corporation	..	..	250·00
14.	Purchase of Shares in Handicrafts Corporation	..	..	10·00
15.	Civil Explosives Factory	10·00	10·00	..
16.	Diesel Engine Factory	·38	·39	·01
17.	Purchase of Shares in National Instruments (Private) Ltd.	..	19·26	..
18.	Hindustan Insecticides, Ltd.	28·00	35·00	3·00
19.	Hindusthan Antibiotics, Ltd.	50·00	15·00	1·00
20.	Hindusthan Machine Tools, Ltd.	..	30·00	..
21.	Purchase of shares in Nangal Fertilizers and Chemicals, Ltd.	2,00·00	2,25·60	4,04·96
22.	Purchase of shares in Heavy Electricals (Private), Ltd.	1,00·00	1,21·00	1,00·00
23.	Purchase of shares in Hindustan Heavy Engineering Corporation	..	..	75·20
24.	Development of Salt Works	40·00	18·00	20·00
25.	National Instruments Factory	20·00	·70	..
26.	Export Risk Insurance Corporation	50·00	50·00	..
	Ministry of Education & Scientific Research			
27.	Grant to the Council of Scientific and Industrial Research	50·00	90·00	1,75·00
28.	Equipment for the Indian School of Mines and Applied Geology	9·41	9·41	5·00
29.	Instruments and Equipments for Central Board of Geophysics	9·00	..	..

(In lakhs of Rupees)

	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budge Estimate, 1958-59
Ministry of Finance			
30. State Financial Corporation, Punjab and Delhi.	16·00	14·00	..
Ministry of Health			
31. Plant and Equipment for Dry Freeze Vaccine Laboratory, Guindy	2·00	1·70	1·00
Ministry of Irrigation and Power			
32. Purchase of Shares of National Projects Construction Corporation	10·00	20·00	25·00
Ministry of steel, Mines and Fuel			
33. Durgapur Steel Project	3,50·00	..	..
34. Establishment of two Coal Washeries . .	1,00·00	50·00	1,00·00
35. Purchase of shares in Bolani Ores (Private) Ltd.	..	10·00	40·40
36. Hindusthan Steel (Private) Ltd. . . .	1,40,00·00	1,27,48·00	1,57,88·50
37. Investment in Mysore Iron and Steel Corporation	..	..	1·00
38. Second Steel Plant at Bhilai	13,33·00	..	..
39. Establishment of Fourth Steel Plant . .	..	..	50·00
40. Oil Exploration Scheme	2,90·93	1,85·87	2,16·54
41. Equipment for Geological Survey of India .	10·00	..	..
42. Equipments for the Bhilai Project . .	..	6·00	..
43. Coal Production Programme	76·31	..	..
44. Investment in Oil India (Private) Ltd. . .	..	50,00	10·00
45. Purchase of shares in Singareni Colliery Co., Ltd.	..	..	30·00
46. Purchase of shares in Neyveli Lignite Corporation	4,00·00	3,70·74	6,99·99
47. Purchase of shares in National Coal Development Corporation	..	..	50·00
48. Purchase of shares in Orissa Mining Corporation	22·50	2·50	2·50
Ministry of Transport and Communications			
49. Eastern Shipping Corporation	1,20·00	83·00	52·00
50. Western Shipping Corporation . . .	2,00·00	2,00·00	2,50·00
51. Investment in the Air India International .	1,55·00	63·58	2,10·13
52. Investment in the Indian Air Lines Corporation .	5,09·84	5,25·19	3,22·80
53. Overseas Communications Service . . .	36·00	21·35	25·00
54. Establishment of Seocnd Shipyard . . .	3·00	·25	2·00
55. Hindusthan Shipyard, Ltd.	30·00	30·00	52·06
Ministry of Works, Housing and Supply			
56. Govt. Housing Factory	·01	2·23	..
57. Purchase of shares in Hindusthan Housing Factory, Ltd.	1·00	12·00	..
TOTAL .	1,85,92·38	1,52,25·85	1,93,08·89

Aviation.—The saving of Rs. 6 lakhs in the revised is due to slow progress on aviation works owing to delay in the receipt of materials and equipment.

The budget provides for the installation and expansion of the facilities at the various aerodroms and communication stations.

Broadcasting.—The saving in the Revised is mainly due to slower progress of work and larger recoveries from the Special Development Fund in respect of Colombo Plan equipments received in earlier years.

The major projects for which provision has been made in the Budget for next year include six 100 kw short wave transmitters—four at Delhi and one each at Bombay and Madras, six 50 kw medium wave transmitters one each at Jullundur, Bombay, Calcutta, Ahmedabad, Bangalore and Tiruchirapalli; two 20 kw short wave transmitters at Delhi; ten 20 kw medium wave transmitters—one each at Ajmer, Delhi, Indore, Calcutta, Patna, Cuttack, Vajayawada, Madras, Bombay and Tiruchi; seven 10 kw short wave transmitters—one each at Ajmer, Bhopal, Lucknow, Simla, & Hyderabad and two at Gauhati; studio and receiving centre at Poona; Broadcasting House Studio Extension—Multi-storeyed building at Delhi; Mobile Broadcast and Recording Vans for stations under the three project circles at Bombay, Calcutta and Delhi, soil conductivity and field strength measurements; permanent studios at Jullundur, Lucknow, Bhopal, Srinagar, Calcutta, Ranchi, Gauhati, Madras, Bombay, Tiruchirapalli, Nagpur, Ahmedabad and Bangalore; Receiving Centres at various places; Record processing plant at Delhi and Television Units at Delhi & Bombay.

Port.—Provision is included under this head for the development of Vishakhapatnam and Kandla Ports and the township of Gandhidham and also of minor ports in Andaman-Nicobar Islands.

The Revised and Budget include Rs. 257·17 lakhs and Rs. 237·59 lakhs respectively for Kandla Port. Similar figures for the township of Gandhidham are Rs. 10 lakhs and Rs. 54·98 lakhs respectively. Visakhapatnam Port would require Rs. 103·17 lakhs this year and Rs. 95 lakhs next year. Budget also includes Rs. 5 lakhs for the development of minor ports in Andaman-Nicobar Islands.

Currency and Coinage.—Details of the provision are as follows :—

(In lakhs of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Lands and buildings including plant, machinery and equipments	75·78	46·94	55·60
Security Paper Mill	10·00	10·00	10·00
Purchase of metal	—82·93	—78·61	3·54
TOTAL	2·85	—21·67	69·14

A reference has been made under Currency and Mint in Section I dealing with Revenue Estimates to the changes in the accounting procedure of coinage transaction introduced with effect from 1st April 1956. The expenditure on the purchase of metal for coinage is debited to Currency Capital

Outlay and a credit afforded to this head for the value of metal actually used for coinage etc.

The Revised includes a gross provision of Rs. 133·03 lakhs for the purchase, etc., of metal for coinage and Rs. 211·64 lakhs as recovery on account of metal actually used for coinage. Thus, there would be a net credit of Rs. 78·61 lakhs for the purchase of metal in the current year.

Budget includes Rs. 55·60 lakhs for lands, buildings, equipment, etc, for the Currency Note Press, Rs. 10 lakhs for the Security Paper Mill and Rs. 225 lakhs (gross) for the purchase, etc., of metal for coinage. The estimates assume recoveries for the value of metal actually used for coinage at Rs. 221·46 lakhs.

The net expenditure under the head is, thus, estimated at Rs. 69·14 lakhs.

Mint.—The saving this year is due mainly to slower progress on the construction of residential accommodation for the Staff and Workmen at the Bombay and Alipur mints offset partly by larger purchases of Stores for the Silver Refinery. Budget includes Rs. 25 lakhs for construction of Staff and Workmen's quarters for Bombay mint and Rs. 8·25 lakhs for similar construction for Alipur mint. Provision has also been made in the Budget for the purchase of Plant and Machinery for the Bombay mint and the Silver Refinery amounting to Rs. 12·95 lakhs.

Delhi Capital Outlay.—Cost of constructions of buildings in New Delhi and Delhi is booked under this head. The details of major works are as usual given in the Annexure to the Demand for Delhi Capital Outlay under the Ministry of Works, Housing and Supply.

Prior to 1957-58 this major head was described as 'New Delhi Capital Outlay' for recording the capital expenditure on civil works in New Delhi. Similar expenditure in respect of Delhi proper and its suburbs was booked under the head '81-Capital Account of Civil Works outside the Revenue Account'. With the enormous expansion of the Capital and its suburbs, the line of demarcation between the two Delhis has become blurred. It was, accordingly decided, with the concurrence of the Comptroller and Auditor General, that with effect from the year 1957-58 this distinction might be removed and the scope of the head widened to accommodate all Capital expenditure on civil works at Delhi and New Delhi including their suburbs.

Multi-purpose River Schemes.—Provision is made here for the Centre's share of the capital outlay on the Damodar Valley Scheme and for the Central Water and Power Research Station, Poona. The estimates include Rs. 327 lakhs this year and Rs. 404 lakhs next year for the Centre's share of the expenditure on the Damodar Valley Scheme. Besides, provision of Rs. 2·7 lakhs in the Revised and Rs. 18 lakhs in the Budget has been made for the purchase of land and construction of buildings for the Research Station at Poona.

Electricity Schemes.—The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Electricity Supply Schemes in:			
1. Andamans	1·50	·50	1·50
2. Tripura	10·00	4·24	11·00
3. Manipur	6·00	6·00	16·47
4. Himachal Pradesh	20·00	16·00	25·00
TOTAL	37·50	26·74	53·97

Civil Works.—The provision included under this head relates to Capital Expenditure on Roads and Buildings, the latter at places other than Delhi. A broad analysis of the sums provided in the Revised and Budget estimates is given below: —

(In lakhs of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
National Highways and other Roads	11,75·00	13,10·00	12,50·00
Construction of houses, etc. for displaced persons	—4,77·96	—1,27·95	—2,43·98
Other buildings	4,39·54	4,39·53	5,21·78
TOTAL	11,36·58	16,21·58	15,27·80

The increase in Revised against National Highways and other Roads is due to accelerated progress in respect of priority works relating to Tripura, Himachal Pradesh and the border and tribal areas of Assam.

The original budget under Construction of houses, etc. for displaced persons provided for a recovery of Rs. 5 crores as cost of Government buildings transferred to displaced persons in lieu of compensation. The Revised and Budget Estimates for this recovery have been assumed at Rs. 1·5 crores and Rs. 3 crores respectively. Corresponding debits appear under the head "Capital Outlay on Compensation to Displaced Persons".

The details of the major works under Buildings are, as usual given in the Annexure to the Demand for Capital Outlay on Buildings under the Ministry of Works, Housing and Supply.

Commutation of Pensions.—The expenditure under this head depends on the number of applications for cummutation of pensions received and sanctioned. Provision is accordingly made on the trend of actuals and such other information as the Accounts Officers might have.

The payments are in the first instance debited to the Capital head and repaid from revenue by a system of equated payments of principal and interest spread

over 15 years. The gross payments are estimated to be of the order of Rs. 46·61 lakhs this year and Rs. 46·81 lakhs next year. The recoveries on account of the equated instalments and from State Governments would amount to Rs. 81·60 lakhs this year and Rs. 79·82 lakhs next year. The net expenditure booked under this head would thus be a minus figure of Rs. 35 lakhs in the Revised and Rs. 33 lakhs in the next Budget.

Sterling Pensions.—The payment made to the U.K. Government for purchase of annuities for financing the Sterling Pensions under the Sterling Balances Agreement of 1948 was debited to this head. As a result of the transfer of these pensions to the U.K. Government with effect from 1st April, 1955, the repayment of annuities by the U.K. Government, creditable under this head, has ceased. The U.K. Government, on their part, agreed to repay in 10 equal annual instalments commencing from 1st April, 1955, the outstanding balance on that date under this head less the capital value of the estimated future costs of the pensions transferred to them.

In a supplementary Agreement concluded with that Government on the 7th February, 1958, copies of which have been laid before the two Houses on the 11th and 12th February, 1958, it has been agreed that pending the completion of actuarial calculation of the capitalised value of these pensions, the amount refundable by the U.K. Government would be deemed to be 40 million pounds *i.e.*, about Rs. 53·3 crores. It has also been agreed that the instalments payable by that Government on the 1st April of each of the four years from 1958 to 1961 would be paid in one instalment on the 1st April, 1958. The estimates under the head accordingly include Rs. 5·33 crores this year and Rs. 21·33 crores next year as recoveries from the U.K. Government.

The net debit outstanding under this Capital head on 31st March, 1955 was Rs. 172 crores of which Rs. 53·33 crores are to be refunded by the U.K. Government. The balance outstanding under this head, representing the capital value of the estimated future costs of the pensions transferred to the U.K. Government, has to be written back to Revenue in annual equated instalments of principal and interest over a period of 30 years, after recovering the share due from State Governments, Commercial Departments, and the Defence Services.

The estimated recoveries on account of principal, to be credited to this head in the current and next year, are as follows:—

(In lakhs of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Amount refundable by the U.K. Government . .	—5,33·33	—5,33·33	—21,33·33
Share recoverable from the States	—59·68	—59·68	—60·27
Share debitable to Defence Estimates . . .	—2,31·68	—2,31·68	—2,34·00
Share recoverable from P. & T.	—4·75	—4·75	—4·79
Amount recoverable from Railways	—3·94	—3·94	—3·98
Amount met from Revenue (Civil)	—51·86	—51·86	—52·39
TOTAL . .	—8,85·24	—8,85·24	—24,88·76

Defence Capital Outlay.—Details appear in the Defence Budget. Budget for this year provided for a gross expenditure of Rs. 25 crores. The gross expenditure is now estimated at Rs. 27·96 crores in the current year and Rs. 30 crores next year Credit has been taken under this head for Rs. 3·03 crores this year and Rs. 3 crores next year on account of realisation of sale proceeds of surplus stores.

Schemes of Government Trading.—This head accommodates the receipts and payments in connection with the various schemes of Government Trading, the most important of which is purchase of foodgrains. As against the net expenditure of Rs. 55·44 crores included in the current year's Budget for the purchase of foodgrains, the Revised estimated net expenditure has been assumed at Rs. 44·17 crores. The saving of Rs. 11·27 crores is the net result of an increase of Rs. 38·48 crores in the gross expenditure on the purchase of foodgrains both at home and abroad, and increased recoveries of Rs. 49·75 crores. Budget provides for a gross expenditure of Rs. 124·16 crores and recoveries of Rs. 118·19 crores on an estimated purchase of 210 lakh tons of wheat and 6·8 lakh tons of rice.

No import of sugar is expected in this or the next year but Revised and Budget provide for Rs. 7·05 lakhs and Rs. 1·04 lakhs respectively on account of certain outstanding charges relating to past imports. Import of Iron and Steel under the Technical Co-operation Agreement will involve a net expenditure of Rs. 208·21 lakhs this year and a net recovery of Rs. 324·40 lakhs next year. The estimates also include net recoveries of Rs. 5·28 lakhs this year and Rs. ·74 lakhs next year on account of the Land Reclamation Scheme. Revised also includes net recovery of Rs. 221·38 lakhs for the scheme of production and supply of coal.

Development Grants.—The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Local Works	600·00	595·07	400·00
Industrial Housing and Slum Clearance	210·00	210·00	303·00
Development Grants under Gadgil Committee's Award	63·44	39·79	52·47
National Rural Water Supply and Sanitation Schemes.	150·00	150·00	200·00
Grants to States for roads of inter-State or economic importance	275·00	290·00	250·00
TOTAL	1298·44	1284·86	1205·47
Less—Amount written back to revenue	—283·54	—253·64	—336·30
NET	1014·90	1031·22	869·17

The expenditure on Development Grants debitable to Capital is written back to revenue over a period of 15 years. The estimates accordingly provide Rs. 253·64 lakhs this year and Rs. 336·3 lakhs next year for write-back to revenue for which a credit has been assumed under the above head. Revised includes Rs. 96 lakhs, Rs. 33·26 lakhs, Rs. 57·70 lakhs, Rs. 17·50 lakhs and Rs. 49·18 lakhs on account of such writebacks for local Works, Industrial Housing, Gadgil Committee Award Grants, National Rural Water Supply and Sanitation Schemes and Grants to States

for roads of inter-State or economic importance, respectively. The corresponding recoveries in the Budget for these heads are Rs. 135 67 lakhs, Rs. 46·59 lakhs, Rs. 60 35 lakhs, Rs. 24 lakhs and Rs. 69·69 lakhs, respectively.

Compensation to Displaced Persons.—The current Budget provided for a gross expenditure for the payment of compensation to displaced persons from West Pakistan at Rs. 24 crores against which the revised requirements are estimated at Rs. 20 crores only, comprising Rs. 1·5 crores in the form of Government property transferred as compensation, Rs. 6 5 crores against adjustment of loans and the balance of Rs. 12 crores as cash payment of compensation. Corresponding figures for the next year are assumed at Rs. 3 crores, Rs. 7 crores and Rs. 8 crores respectively. The estimates include Rs. 3 crores this year and Rs. 2 5 crores next year, as recoveries from sale proceeds, etc. of evacuee property transferred from revenue.

According to the decision taken in 1954-55, the net Capital expenditure under this head has to be written back to Revenue over a period of 15 years. Rs. 145·56 lakhs this year and Rs. 216·69 lakhs next year have been included in the Revenue Demand relating to Expenditure on Displaced Persons and Minorities for which a credit has been taken under this head.

Dandakaranya Development Scheme.—This is a new head opened in the accounts to accommodate the expenditure on the Scheme for the Development of the area of about 8,000 square miles called "Dandakaranya" on the borders of Andhra Pradesh, Orissa, and Madhya Pradesh for the rebabilitation of displaced persons from East Pakistan. The Scheme as a whole is estimated to cost Rs. 10 crores of which Rs. 25 lakhs would be incurred this year on reclamation, buildings, equipments and staff both administrative and technical. Expenditure next year is estimated at Rs. 3 crores.

Shipping Tankers etc.—The current Budget included Rs. 139·5 lakhs for the acquisition of a steamer for India-Andaman service and for the purchase of one new sister-ship and one launch for improvement of inter-island communications and local ferry services in the Andamans, Rs. 20 lakhs for the conversion of a third survey ship and Rs. 4 25 lakhs for the purchase of boats for Laccadive, Minicoy and Amindivi islands. The expenditure in respect of Andamans this year is now estimated at Rs. 105 lakhs while the conversion of the survey ship would cost Rs. 16 8 lakhs and the purchase of boats for the Laccadive group of islands Rs. 1·25 lakhs. Next year's Budget provides Rs. 40·5 lakhs for Andaman-Nicobar Islands, Rs. 15 lakhs for a Dredger-*cum*-survey ship and Rs. 3 lakhs for the purchase of boats for Laccadive Islands.

Transfer of Development assistance from the Government of U.S.A.—This head is intended to accommodate the transactions relating to the assistance received from U.S.A under the Development Assistance Programme and Public Law 480.

The commodities to be received from U.S.A. under the Development Assistance Programme would be fertiliser, iron and steel, surplus agricultural commodities (wheat and cotton), equipment for rural electrification, storage godowns, tubewells casing, equipments for malaria control, etc.

The surplus agricultural commodities received under this Programme are treated as sold to the Government of India and payment in rupees is made in India to the representative of U.S.A. Government by debit to the head "87-Capital Outlay on Schemes of Government Trading". In the case of Other Commodities also, the rupee equivalent of the value thereof is debited to the same head but no payment is required to be made to the U.S.A. representative and the amount is treated as lent to the Government of India for which credit is taken to the head "N-Public Debt—Development Assistance Loan from the Government of U.S.A". A part of the

amount paid in rupees by the Government of India, on account of the surplus agricultural commodities is received back from the U.S.A. representatives for utilisation on approved projects and credit for such receipts is taken under Revenue or Public Debt according as the amount is received as grant or as loan. The sale proceeds of all Commodities when realised are credited to the head "87", referred to above, and an amount equivalent to the net sale proceeds is simultaneously transferred to the "Fund from the sale proceeds of American loan Commodities" by debit to the Capital head "Transfer of development assistance from the Government of U.S.A".

The assistance received under Public Law 480 also is in the form of surplus agricultural commodities, mainly consisting of wheat, rice, cotton, tobacco and dairy products. The accounting procedure is similar to the procedure indicated above for the Development Assistance Programme except that an amount equivalent to the loan assistance received, instead of the sale proceeds of the commodities, is debited to this capital head and transferred to the "Fund from assistance under PL 480".

Budget for the current year included a provision of Rs. 95·3 crores of which Rs. 40·3 crores was in respect of the Development Assistance Programme and the balance of Rs. 55 crores for loan assistance under PL 480. Development Assistance is now estimated at Rs. 35·02 crores this year and Rs. 10·47 crores next year. There would be no loan assistance under PL 480 this year but in the next year such assistance has been assumed at Rs. 68 crores.

Other Works.—Current year's Budget included Rs. 3·52 crores for the construction of food godowns which is now estimated to cost Rs. 83 lakhs this year and Rs. 1·5 crores next year.

Other Civil Heads.—Broad details of the provision are given below:—

(In lakhs of Rupees)

	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Capital Outlay on Forests	18·31	9·13	9·51
Capital Outlay on India Security Press	7·61	3·25	11·07
Capital Outlay on Road and Water Transport Schemes	13·00	13·00	15·00
Payments to Retrenched Personnel	—·40	—·49	—·15
TOTAL	38·52	24·89	35·43

The provision on Capital Outlay on Forests is mainly in respect of buildings and equipment for the Forest Research Institute, Dehra Dun; development of Andaman Forests; Forestry Schemes in other Union territories and for the purchase of land for Soil Conservation Research Demonstration and Training Centres at Kotah in Rajasthan and at Vasad, Bombay. The savings in the Revised are mainly due to the reduced requirements following slower progress in the implementation of the Forestry Schemes in the Union Territories.

Provision for Capital Outlay on India Security Press next year includes Rs. 9 lakhs for the construction of staff and labour quarters and a hospital and Rs. 2·07 lakhs for the purchase of plant and machinery.

Roads and Water Transport Schemes include Rs. 4·5 lakhs each year for Manipur and Rs. 8·5 lakhs this year and Rs. 10·5 lakhs next year for Himachal Pradesh.

Discharge of Permanent Debt.—Revised includes Rs. 32 crores for discharge of the balance of 3 per cent. Victory Loan, 1957 left after conversion last year; Rs. 35.26 crores for 3 per cent. Loan, 1958 which was offered for conversion in the current year; Rs. 22 lakhs for 2½ per cent. Bhopal War Bonds, 1957, the liability for which was assumed by the Government of India following the financial integration of Bhopal; Rs. 47 lakhs for expired loans; Rs. 61·51 lakhs for Railway Sterling Annuities, etc.; Rs. 162·5 lakhs for repayments of the loans from the International Bank for Reconstruction and Development (Rs. 107·31 lakhs for the First Railway Project Loan, Rs. 40·95 lakhs for Bokaro-Konar Project Loan and Rs. 14·24 lakhs for Second Damodar Valley Corporation Loan). The Revised Estimates also include Rs. 107·81 lakhs for the first two instalments for repayment of the loan taken from the Government of U.S.A. for the purchase of wheat in 1951 and Rs. 140·44 lakhs for repayment of loans from U.S.S.R. on account of Plants and equipment for the Bhilai Steel Project. Repayment of principal on account of 15-year Annuity Certificates is estimated at Rs. 10 lakhs this year.

Discharge of permanent debt next year has been estimated at Rs. 2815·39 lakhs consisting of the following items:—

	(In lakhs of Rupees)
(a) Rupee debt—	
(i) Balance of 3 per cent Loan, 1958	1400·00
(ii) 4½ per cent Loan, 1958—68	520·00
(iii) Expired Loans	80·00
TOTAL—RUPEE DEBT	2000·00
(b) Sterling debt—	
(i) India Stocks and Railway debenture stocks	40·00
(ii) State Railway Annuities	48·13
TOTAL—STERLING DEBT	88·13
(c) Dollar debt—	
(i) Loans from the International Bank for—	
First Railway Project	1,11·63
Bokaro-Konar Scheme	42·57
Second D.V.C. Loan	14·95
(ii) Wheat Loan from U.S.A.	1,10·53
(iii) First Development Assistance Loan from U.S.A. ($45M)	·47
TOTAL—DOLLAR DEBT	2,80·15

(In lakhs of Rupees)

(d) Loan from U.S.S.R.—	
(i) For Bhilai Steel Project	4,32·11
(e) 15-Year Annuity Certificates	15·00
TOTAL—DISCHARGE OF PERMANENT DEBT . .	28,15·39

Discharge of Special Floating Debt.—This head records the discharge of the securities issued to the International Monetary Fund and the International Bank for Reconstruction and Development in lieu of part payment of India's contribution to these organisations. The credit for the securities in question was taken under "N. Public Debt" by debit to "Currency Capital Outlay". Out of India's subscription to the International Monetary Fund and her share in the capital of the International Bank for Reconstruction and Development, amounting in each case to 400 million dollars, non-negotiable, non-interest-bearing rupee securities were issued to the extent of Rs. 177·38 crores in the case of I.M.F. and Rs. 35·22 crores in respect of I.B.R.D.

Provision of Rs. 4·8 crores has been made in the current year for encashment of a part of these securities of which Rs. 3·2 crores are for the I.M.F. and Rs. 1·6 crores for the I.B.R.D. Budget next year is in respect of the securities of the I.B.R.D.

Inter-State Settlement.—Revised includes Rs. 145 lakhs as the Centre's share of 3 per cent Loan, 1958 (Mysore) which has been redeemed by the Government of Mysore on the 25th January, 1958. Next year's provision of Rs. 12 lakhs is for meeting the Central Government's share towards the redemption of 3 per cent. Loan, 1955—58 (Cochin) which is due for repayment by the Government of Kerala on the 16th December, 1958.

Advances to State Governments.—Broad details of the advances are given below:—

(In lakhs of Rupees)

	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Loans for—			
(1) Agricultural and allied Schemes	37,93	27,61	36,05
(2) Industrial Estates	1,00	1,50	1,50
(3) Development of Handloom Industry	2,76	2,76	1,50
(4) Conversion of Handloom into Powerloom	3,02	1,00	1,50
(5) Development of Small Scale Industries			3,19
(6) Development of Coir Industry		13	10
(7) Community Development Projects and National Extension Services	00	7,80	9,22
(8) Students Hostels and Educational Schemes	17	24	40
(9) Industrial Schemes	..	60	2,00
(10) Miscellaneous Development purposes including material and equipment under Foreign Assistance Programme	48,00	47,60	32,63
(11) State Finance Corporation	..	..	20

(In lakhs of Rupees)

	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Loans for—*contd.*			
(12) Unforeseen Natural Calamities	5,00	7,00	1,00
(13) Scheme for sharing of Small Savings Collections	25,00	40,00	60,00
(14) Ways and Means Advances	8,50	53,30	20,00
(15) Purchase of Foodgrains by Jammu and Kashmir Government	1,50	1,50	1,50
(16) Urban Water Supply and Drainage Schemes	5,50	6,70	6,25
(17) Police Housing Scheme	1,50	2,50	2,00
(18) Irrigation and Multipurpose River Schemes	65,01	50,75	70,12
(19) Permanent Improvement in Scarcity Affected Areas	4,00	3,20	3,37
(20) Flood Control	7,00	10,00	9,00
(21) Expansion of Power Facilities	6,20	4,75	2,75
(22) Public Co-operation Schemes	5	..	..
(23) Development of Silk and Handicrafts Industries	79	48	50
(24) Rehabilitation of Displaced Persons	8,21	6,30	8,34
(25) Development of Minor Ports	50	50	50
(26) Low and Middle Income Group Housing Schemes	5,00	5,00	5,80
(27) Other Industrial Housing and Slum Clearance Schemes	3,90	3,33	4,80
(28) Other Schemes	17	30	29
(29) *Less*—Lump cut for reasons stated in Para 66 of Finance Minister's Budget Speech, 1957	—15,00	..	..
TOTAL—(GROSS)	2,38,08	2,87,85	2,84,51
Deduct—Amount met from Special Development and other Funds	—4,71	—5,02	—5,19
NET	2,33,37	2,82,83	2,79,32

These loans will be met partly out of the Special Development Fund and other Funds as indicated below:—

(In lakhs of Rupees)

	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
(*i*) Special Dvelopment Fund	1,45	2,03	3,17
(*ii*) Fund for benefit of Cotton Growers	30	18	37
(*iii*) Temporary Sugar Excise Fund	20	5	15
(*iv*) Fund for Development of Handloom and Khadi Industries	2,76	2,76	1,50
TOTAL	4,71	5,02	5,19

Other Loans and Advances.—Broad details are given below:—

(In lakhs of Rupees)

	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Advances to Foreign Governments	10,13	15,10	5,16
Advances to Port Trusts	6,00	4,40	5,00
Loans to other Local Funds and Private Parties, etc.	19	3,52	5,22
Advances to Cultivators	1,62	1,59	1,79
Opium Advances	4	3	2
Rehabilitation Finance Administration	1,00	7	25
Loan to Re-Finance Corporation	15,00	..	21,00
Delhi State Electricity Board	50	50	30
Loans for Public Co-operation	..	..	3
Delhi Road Transport Authority	50	50	25
Displaced Persons (including Relief to Displaced persons)	76	24	67
Development of Cottage, Small Scale, Handloom and Handicrafts Industries, etc.	46	46	53
Loan to All India Khadi and Village Industries Commission for development of Ambar Charkha and Village and Khadi Industries	10,30	7,72	5,62
Loans for construction of building and hostels for Educational purposes	1,41	55	1,10
National Research Development Corporation	10	..	5
Private Shipping Companies for Coastal and Overseas Trade	5,60	6,60	6,86

(In lakhs of Rupees)

	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
Loans to Private Firms for Industrial Housing	40	25	40
Loans for other Housing Schemes	77	69	51
Loans to Sindri Fertilizer and Chemicals, Ltd.	1,54	1,32	1,38
Indian Telephone Industries	12	12	12
Loans to Tata Iron and Steel Co. and Indian Iron and Steel Company	3,01	3,01	20
Hindustan Insecticides, Ltd.	..	15	33
Loans to Hindustan Machine Tools, Ltd.	80	89	..
Loans to Hindustan Housing Factory	5	11	..
Debenture Loan to Hindustan Cables, Ltd.	20	20	30
Debenture Loan to Hindustan Shipyard, Ltd. for Dry Dock	..	..	4
Loans to Atul Products, Ltd.	50	..	50
Loans to Indian Airlines Corporation	1,10	84	48
Schemes for colonisation and resettlement of the sufferers from Japanese occupation in Andamans	11	11	16
Industrial Finance Corporation	4,00	9,00	3,00
National Industrial Development Corporation	4,50	2,30	3,10
National Small Industries Corporation	65	1,10	1,20
National Coal Development Corporation	4,00	4,00	5,00
Loans for Community Development Project and National Extension Services Schemes	7	8	6
State Trading Corporation	2,50	..	..
Other Loans and Advances including Loans to Government Servants	8,40	2,78	7,39
TOTAL	86,33	68,23	78,02
Less—Amount met from Special Development and other Funds	—19,13	—5,70	—22,42
Net	67,20	62,53	55,60

These loans will be met partly out of the Special Development Fund and other Funds as indicated below:—

(*i*) Special Development Fund	15,00	..	21,30
(*ii*) Fund for Development of Handloom and Khadi Industries	1,32	2,89	1,00
(*iii*) Iron and Steel Equalisation Fund	2,81	2,81	..
(*iv*) Amount met from Aid from U.N.I.C.E.F.	..	..	12
TOTAL	19,13	5,70	22,42

DEBT POSITION OF THE GOVERNMENT OF INDIA

The outstanding public debt of the Government of India is expected to amount to Rs. 33,50 crores at the end of the current year and Rs. 39,55 crores at the end of 1958-59. Details are given in Statement IX at the end of this section.

A broad analysis of the debt compared with the debt at the end of 1938-39 is given below:—

(In crores of Rupees)

Particulars	As on 31st March, 1939	As on 31st March, 1958	As on 31st March, 1959
Rupee Loans:			
Current Loans	4,37·87	17,01·25	18,26·79
Treasury Bills	46·30	12,15·70	14,20·70
Special Floating Loan	..	2,07,80	2,04·37
Expired Loans	·65	13·98	14·94
TOTAL	4,84·82	31,38·73	34,66·80
Sterling Loans:			
Current Loans	3,96·50	·55	·15
War Contribution	20·62	20·62	20·62
Capital Portion of Railway Annuities	47·82	·48	..
U.K. Syndicate of Banks	..	·67	·67
Expired Loans	·01	·03	·03
TOTAL.	4,64·95	22·35	21·47
Dollar Loans	..	1,59·85	3,61·68
Loan from U.S.S.R.	..	15·30	45·98
Loans from West Germany	..	14·00	44·00
Loan from other Foreign Sources	..	..	15·13
TOTAL—PUBLIC DEBT	9,49·77	33,50·23	39,55·06

The liability for the British war loan remains suspended while the outstanding Railway annuities are covered by an equivalent deposit with the United Kingdom Government, who provide the necessary sterling as the payments for due. Omitting these items, the total outstanding debt will be Rs. 33,29 crores at the end of the current year and Rs. 39,34 crores at the end of 1958-59. At the end of the Budget year, the outstanding debt other than the capital portion of Railway Annuities would, as compared with the figure at the end of 1938-39, have risen by Rs. 30,53 crores.

In addition the Government are liable to repay the balances in the various Provident Funds, the Post Office Savings Bank, the Post Office Cash, National Savings, National Plan, National Plan Savings, and Treasury Savings Deposit Certificates, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs, etc. and certain other deposits, mainly relating to Excess Profits Tax and Income tax. These balances are estimated to amount to Rs. 10,88 crores at the end of the current year and Rs. 11,84 crores at the end of 1958-59, after making a very

rough allowance for Pakistan's probable share in them. Taking the regular debt and these liabilities together the debt position of the Government of India will stand as follows:—

(In crores of Rupees)

	On 31st March, 1958	On 31st March, 1959
Regular Loans	33,50·23	39,55·06
Other Liabilities	10·87·71	11,83·90
British War loan and Railway Annuities	—21·10	—20·62
TOTAL	44,16·84	51,18·34

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:—

(In round crores of Rupees)

	As on 31st March, 1958	As on 31st March, 1959
Railways	12,16	13,55
Posts and Telegraphs and other Commercial Departments (including Damodar Valley Corporation)	1,65	1,86
Investment in Commercial concerns (Industrial Development)	2,74	4,67
Loans and Advances	13,84	16,44
*Amount recoverable from the U.K. and the States on account of—		
Purchase of annuities for sterling pensions	56	34
Subscription to the International Monetary Fund	1,78	1,78
Purchase shares of the I.B.R.D.	35	35
Debt due from Pakistan	3,00	3,00
Cash and other investments	51	51
TOTAL	36,59	42,50

Allowing for these, the uncovered debt will amount to Rs. 8,68 crores at the end of the Budget year against the pre-war figure of Rs. 1,88 crores. The whole of this cannot, however, be called unproductive debt, for the large grants to States for development in recent years which increase the productive capacity of the country as a whole are not entirely un-remunerative, and similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi Capital Outlay and Defence Capital Outlay) is not without value.

*See Foot Note 5 at the end.

The statement below analyses the interest bearing obligations of the Government of India and the interest yielding assets held by them.

(In crores of Rupees)

(At the end of)

	1938-39 (Pre-war year)	1957-58, Revised	1958-59, Budget
INTEREST-BEARING OBLIGATIONS—			
In India			
Public Debt—			
Loans	4,37·87	17,01·25	18,26,79
Treasury Bills	46·30	12,15·70	14,20,70
TOTAL—PUBLIC DEBT (INDIA)	4,84·17	29,16·95	32,47·49
Unfunded Debt—			
Service Funds	1·03	·27	·25
10-Year Treasury Savings Deposit Certificates	..	49·61	66·61
Post Office Savings Bank Deposits	81·88	3,40·28	3,65·28
12 year National Plan Savings Certificates	..	62·00	1,48·00
Cumulative Time Deposits	..	..	2·50
Post Office Cash and Defence Savings Certificates	59·57	1·66	·66
National Savings Certificates	..	2,16·52	1,90·02
10-Year National Plan Certificates	..	22·88	18·38
State Provident Funds	72·40	1,95·26	2,13·97
Other Items	10·25	15·49	16·33
TOTAL—UNFUNDED DEBT (INDIA)	2,25·13	9,03·97	10,22·00
Deposits—			
Depreciation Development and Reserve Funds	27·34	1,66·68	1,38·04
Other Deposits	..	17·06	23·86
TOTAL—DEPOSITS (INDIA)	27·34	1,83·74	1,61·90
TOTAL—OBLIGATIONS IN INDIA	7,36·64	40,04·66	44,31·39
Other Public Debt—			
In England	3,96·50	·55	·15
Loans	20·62	20·62	20·62
War Contribution			
U. K. Syndicate of Banks	..	·67	·67
Capital Portion of Railway annuities in purchase of Railways	47·82	·48	..
TOTAL—PUBLIC DEBT (ENGLAND)	4,64·94	22·32	21·44
DOLLAR LOANS	..	1,59·85	3,61·68
LOAN FROM U.S.S.R.	..	15·30	45·98
LOAN FROM GERMANY	..	14·00	44·00
LOAN FROM OTHER FOREIGN SOURCES	..	..	15·13
TOTAL—INTEREST BEARING OBLIGATIONS	12,01·58*	42,16·13	49,19·62

(In crores of Rupees)

(At the end of)

	1938-39 (Pre-war year)	1957-58, Revised	1958-59, Budget
INTEREST-YIELDING ASSETS—			
Capital advanced to Railways	7,25·24	12,15·70	13,54·54
Capital advanced to other Commercial Departments (including Damodar Valley Corporation)	27·42	1,64·88	1,86·08
Investment in Commercial Concerns (Industrial Development)	..	2,74·39	4,67·28
Capital advanced to States	1,23·28	11,85·11	14,02·21
Other interest bearing loans	20·71	1,99·40	2,42·53
Deposits with the U. K. Government for redemption of Railway annuities	..	·48	..
Amount recoverable from the U.K. and the States on account of purchase of annuities for Sterling Pensions	..	55·91	33·97
Debt due from Pakistan	..	3,00·00	3,00·00
TOTAL—INTEREST-YIELDING ASSETS	8,96·65	33,95·87	39,86·61
Cash and Securities held on Treasury Account	30·30	50·75	50·75
Balance of total interest-bearing obligations not covered by above assets	2,74·63	7,69·51	8,82·26

**Excludes Rs. 4·18 crores on account of Service Funds (England) the liability for which has been transferred to U.K. Government along with the sterling pensions with effect from 1-4-55.*

Note 1.—The outstanding at the end of each year are shown in the statement. The accounts for the year 1947-48 (pre-partition) and 1956-57 have not yet been closed finally and the figures have, therefore, been worked out on the best information available.

Note 2.—Sterling obligations have been converted into Rupees at 1*sh.* 6*d.* to the Rupee.

Note 3.—Under Unfunded Debt, Deposits and Interest-yielding assets, allowance has been made on a rough basis for the share allocable to Pakistan.

Note 4.—The figure entered for debt due from Pakistan is a very rough guess.

STATEMENT IX

OUTSTANDING PUBLIC DEBT OF THE GOVERNMENT OF INDIA

(In lakhs of Rupees)

Particulars	Date of Issue	Earliest date of maturity	Estimated amount on 31st March, 1958	Estimated amount on 31st March, 1959
(1)	(2)	(3)	(4)	(5)
A—RUPEE LOANS :				
I—Current Loans :				
Terminable Loans				
4½% Loan, 1958-68	1st June 1928	1st June 1958	5,86	..
4% Loan, 1960-70	15th Sep. 1926	15th Sep. 1960	63,30	63,30
3% Loan, 1963-65	1st June 1938	1st June 1963	1,16,17	1,16,17
3% Funding Loan 1966-68	22nd Oct. 1943	1st Oct. 1966	1,10,12	1,10,12
3% Second Victory Loan 1959-61	19th March 1945	15th August 1959	1,13,66	1,13,66
3% First Development Loan 1970-75	16th April 1945	15th Oct. 1970	1,15,06	1,15,06
2¾% Loan, 1960	15th Jan. 1946	15th Jul. 1960	45,63	45,63
2½% Loan, 1961	1st Aug. 1946	1st Aug. 1961	57,01	57,01
2¾% Loan, 1976	16th Sep. 1946	16th Sep. 1976	14,77	14,77
2¾% Loan, 1968	15th Nov. 1947	15th Nov. 1962	75,87	75,87
3% Loan, 1964	19th June 1950	15th June 1964	30,33	30,33
3% Loan, 1958	16th Aug. 1951	16th Aug. 1958	15,10	..
3½% National Plan Bonds, 1961 (First Issue)	8th June 1953	1st June 1961	75,29	75,29
3½% National Plan Loan, 1964	19th Apr. 1954	19th Apr. 1964	1,58,18	1,58,18
3½% National Plan Bonds—Second Series (3½% 1965)	1st July 1955	1st July 1965	1,03,68	1,03,68
3¼% Bonds, 1962	16th July 1956	16th July 1962	87,27	87,27
3½% National Plan Bonds—Third Series (3½% 1957)	16th July 1956	16th July 1967	33,82	33,82
3¾% Loan, 1974	16th July 1956	16th July 1974	66,62	66,62
4% Loan, 1972	5th Aug. 1957	1st Aug. 1972	49,17	49,17
3¾% National Plan Bonds—Fourth Series	5th Aug. 1957	1st Aug. 1967	56,99	56,99
New Loans	To be floated in 1958-59.		..	1,45,00
Bhopal Loans—				
3% Loan, 1966-76	12th Nov. 1946	Repayable at par on 15-11-76 but the Government have the option of repaying at any time after 15th November, 1966, with 6 months' notice	1,22	1,22

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
Hyderabad Loans—				
3% Loan, 1951-61	1st Aug. 1941	1st August, 1961 or any day after 1st August, 1951 on giving three calendar months' notice.	6,59	6,59
2½% Loan, 1953-63	16th Oct. 1943	16th October, 1963 or any day after 16th October, 1953 on giving three calendar months' notice.	5,38	5,38
2½% Development Loan, 1954-59.	16th Oct. 1944	16th October, 1959 or any day after 16th October, 1954 on giving three calendar months' notice.	7,55	7,55
2¼% Second Development Loan, 1955-60.	1st Nov. 1946	1st November, 1960 or any day after 1st November, 1955 on giving three calendar months' notice.	4,24	4,24
4% Hyderabad State Dev. Loan, 1963	15th Oct. 1953	15th Oct. 1963	3,35	3,35
1¼% Loan, 1964	30th Oct. 1956	30th Oct. 1964	3,86	3,86
4% Hyderabad State Dev. Loan, 1967	1st Sep. 1955	1st Sep. 1967	2,12	2,12
4% Hyderabad State Dev. Loan, 1968	3rd Sep. 1956	3rd Sep. 1968	2,18	2,18
2¾% Loan, 1974	1st Apr. 1954	1st Apr. 1974	4,40	4,40
2¾% Loan, 1975	1st Jan. 1950	1st Jan. 1975	6,86	6,86
Non-Terminable Loans.				
3% 1896-97	22nd July 1896	At the option of the Govt. of India after 3 months' notice	893	893
3% Conversion Loan, 1946	16th Sep. 1946	At any time on or after 16th Sep. 1986 subject to three months' notice	2,48,91	2,48,91
Annuity Certificates—				
15-years Annuity Certificates			1,75	326
		TOTAL—CURRENT LOANS	17,01,25	18,26,79
II—Treasury Bills :				
Sold to Reserve Bank			11,20,63	13,25,63
Sold to Others			95,07	95,07
		TOTAL—TREASURY BILLS	12,15,70	14,20,70

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
III—Special Floating Loan—				
Issued to the International Monetary Fund and the International Bank for Reconstruction and Development.			2,07,80	2,04,37
IV—Expired Loans—				
Sundry loans . .			13,98	14,94
	TOTAL—RUPEE LOANS . . .		31,38,73	34,66,80
B—STERLING LOANS :				
Current Loans (India Stocks and Rly. Debenture Stocks) . .			55	15
War Contribution .			20,62	20,62
Capital portion of Railway Annuities . .			48	..
Expired Loans . .			3	3
U. K. Syndicate of Banks (For Durgapur Steel project) . . .			67	67
	TOTAL—STERLING LOANS . . .		22,35	21,47
C—DOLLAR LOANS :				
I—Loans from the International Bank for Reconstruction and Development :				
First Railway Project Loan . . .			8,64	7,52
Bokaro Konor Project Loan (D.V.C. I) .			6,74	6,31
Damodar Valley Project Loan (D.V.C. II).			2,58	2,65
Second Railway Project Loan . .			29,28	42,84
II.—Loans from the Government of U.S.A. :				
Loan for purchase of American wheat			89,23	88,13
Development Assistance Loan . .			23,38	46,23
Loans under PL 480 .			..	68,00
Loan from U.S.A. Loan Fund of $225 million			..	100,00
	TOTAL—DOLLAR LOAN . . .		159,85	361,68

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
D—LOANS FROM U.S.S.R. :				
Loans for the Steel Project at Bhillai .			15,30	45,98
E—LOANS FROM WEST GERMANY :				
Loans in respect of deferred payment for the Steel Project at Rourkela . .			14,00	44,00
F—LOANS FROM OTHER FOREIGN SOURCES :			..	15,13
Sundry new loans				
	TOTAL—PUBLIC DEBT	. .	33,50,23	39,55,06

SECTION III

NOTES ON IMPORTANT SCHEMES

SECTION III

NOTES ON IMPORTANT SCHEMES

The notes in this section which deal largely with capital schemes, have been arranged by Ministries.

MINISTRY OF COMMERCE AND INDUSTRY

THE NATIONAL SMALL INDUSTRIES CORPORATION (PRIVATE) LIMITED

The National Small Industries Corporation (Private) Limited, a wholly State owned undertaking, was set up in February, 1955 with an authorised capital of Rs. 10 lakhs, out of which Rs. 2 lakhs were paid up during the year 1955-56, and Rs. 8 lakhs early in 1956-57. The authorised capital was subsequently raised to Rs. 50 lakhs in January, 1957, by creating 40,000 additional shares of Rs. 100 each, out of which 1,000 shares have been issued and allotted thereby increasing the paid-up capital to Rs. 20 lakhs. Though initially the corporation was set up for persuading the Government purchasing agencies to place orders to small scale units for supply of stores, gradually the Government entrusted various other schemes and the functions of Corporation today have been considerably enlarged over the original idea with which it was set up. The main functions of the Corporation today are :

(*a*) Assistance to small units to participate in increasing measure in the stores purchase programme of the Government.

(*b*) Development of small industrial units as ancillary to large units.

(*c*) Introduction of marketing operations through mobile vans; research in marketability of consumer goods produced by small scale units ; Marketing News Service, and opening of wholesale depots for the marketing of stores manufactured by small industries wherever there is concentration of such industries.

(*d*) Supply of machinery to small scale industries under hire-purchase scheme and supply of domestic sewing machines also, under hire-purchase scheme, to women belonging to lower income groups.

(*e*) Construction and management of two industrial estates, one at Okhla near Delhi and the other at Naini near Allahabad.

(*f*) Organisation and holding of an Industrial Designs Exhibition of common utility articles supplied by the Museum of Modern Arts, U.S.A. at certain selected centres. It is anticipated that the work relating to the holding of this Exhibition will start in the early months of the year 1958.

(*g*) Implementation of two production-*cum*-training schemes which were finalised in collaboration with the Government of West Germany and the Technical Co-operation Mission of the United States of America.

2. The activities of the Corporation are financed by loans and grants sanctioned by the Government of India. The total funds sanctioned to the Corporation, so far, during each year since its inception are indicated below :—

(In Rupees)

Year	Grants	Loans	Share Capital	Total
1954-55	6,000	..	2,00,000	2,06,000
1955-56	4,47,000	..	8,00,000	12,47,000
1956-57	12,00,000	67,25,000	10,00,000	89,25,000
1957-58 to date	11,50,000	63,00,000	..	74,50,000
TOTAL	28,03,000	1,30,25,000	20,00,000	1,78,28,000

A provision of Rs. 145 lakhs (35 lakhs for grants and Rs. 110 lakhs for loans) in the Revised estimates 1957-58 and Rs. 180 lakhs (60 lakhs for grants and 120 lakhs for loans) in Budget estimates 1958-59 has been made.

HANDLOOM INDUSTRY

The handloom industry has been making steady progress since Government began giving generous financial assistance to State Governments out of the proceeds of the additional excise duty on cloth. The co-operative movement among the weavers has gained considerable momentum, and there were 11·5 lakh handlooms within the co-operative fold on the 30th September, 1957. Much progress has, however, to be achieved in this direction. It is expected that the weavers' co-operatives will get adequate credit facilities from the Reserve Bank for production and marketing activities. The scheme of rebate on sales of handloom cloth is being continued. The schemes for construction of housing colonies for weavers have also begun to bear fruit. Out of 1,755 houses for the construction of which financial assistance has been given, 364 have been completed and 365 are under various stages of completion.

A provision of Rs. 507 lakhs (342 lakhs as grants and Rs. 165 lakhs as loans) has been made in the Budget for 1958-59.

SMALL INDUSTRIES SERVICE INSTITUTES

In pursuance of the recommendation of the Ford Foundation Planning team, which visited India in 1953, four Regional Small Industries Service Institutes were established one each at Delhi, Calcutta, Madras and Bombay in 1954, with the object of improving the technique of production and management, promoting patterns of development and standardising production so that the small scale industries may ultimately be organised to serve also as ancillaries to large scale industries. In addition to these Regional Institutes, 14 Institutes (one each for each State) and 48 extension centres have so far been established in different parts of the country. Two footwear training centres, at Madras and Agra, two production Centres at Habra and Baruipur in West Bengal, and two production-*cum*-training centres for the educated unemployed in Kerala have also been established during 1957-58. It is also proposed to establish 12 more extension centres as early as possible.

A provision of Rs. 29·77 lakhs has been made in the Budget for 1958-59 for capital outlay on equipment. In addition, a provision of Rs. 138 lakhs has been made for the next year under revenue.

HEAVY ELECTRICALS (PRIVA

In pursuance of the recommendations of the H Project Enquiry Committee made in March, 1955, the decided to set up a factory at Bhopal to manufacture h with technical collaboration of Messrs. Associated E of the United Kingdom. Capital outlay on the project crores (excluding the township). The factory, when in f ploy about ten thousand men, technical and non-technical, will be of the value of approximately Rs. 12·5 crores.

Owing to acute shortage of foreign exchange and overall h the project has been rephased. It has been decided to take up of transformers, switchgears, controlgears and capacitors in the Capital outlay on the first phase is estimated at Rs. 19·0 crores and a to be obtained is estimated at Rs. 6·2 crores by 1965 with producti from 1960-61.

A private limited company known as Heavy Electricals (Private) L an authorised capital of Rs. 30 crores and completely owned by Central G ment has been formed to control and manage the project. Funds requi the Company are being made available to them in the form of share cap

A provision of Rs. 20 crores has been made for the project in the Sec Five Year Plan. In the Budget for 1957-58, a provision of Rs. 100 lakhs w made for the purchase of shares in this Company. The Revised Estimate f 1957-58 is Rs. 121 lakhs. Expenditure during 1958-59 is estimated at Rs. 10 lakhs and provision has accordingly been made in the Budget for 1958-59.

Action taken so far in regard to the establishment of the factory is mainly confined to the training programme. About 40 engineers have been deputed to the United Kingdom for training in consultants' factories. A training school with a workshop attached and a hostel for trainees are under construction at Bhopal. Preliminary work, such as survey of site, site levelling, invitation of tenders for steel structurals for main factory is in different stages of progress.

HINDUSTAN CABLES (PRIVATE) LIMITED

The authorised capital of the company is Rs. 3 crores. The subscribed to run the Government-owned telephone cable factory at Rupnarainpur which manufactures paper-insulated, lead covered and armoured cables to the requirements of the Indian Posts and Telegraphs Department, under an agreement entered into with Messrs. Standard Telephones and Cables Ltd. of the United Kingdom in 1949.

The authorised capital of the company is Rs. 3 crores. The subscribed capital of the company at present is Rs. 125 lakhs and Rs. 39 lakhs has been given as debenture loan.

The company commenced production from September, 1954, Original planned to manufacture 469 miles of cables valued at over Rs. 1 crore, the factory produced 525 miles during the year 1955-56 and 591 miles during the year 1956-57. The production during the year 1957-58 is expected to be about 550 miles of cables.

During the Second Five Year Plan, the Posts and Telegraphs Department proposed to link the major cities of India by a vast underground net work of coaxial trunk telephone cables. To cater for this demand, the Hindustan Cables (Private)

d to undertake the manufacture of 300 miles of coaxial cables per an- estimated cost of Rs. 82 lakhs. The production will start in 1959. nt have agreed to advance an amount of Rs. 50 lakhs to the company re loan. Accordingly a provision of Rs. 20 lakhs was made in the year s debenture loan to the company and the balance of Rs. 30 lakhs has ided in the Budget for 1958-59.

ring 1956-57, the company made a net profit of about Rs. 9·9 lakhs and a dividend of 2 per cent.

DEVELOPMENT OF SMALL-SCALE INDUSTRIES

provision of Rs. 36 crores has been made in the Second Five Year Plan tate Government's schemes for the development of small-scale industries.

During the current year, grants amounting to Rs. 58·27 lakhs and loans ounting Rs. 140·97 lakhs were given to State Governments upto December, 57 for execution of specific schemes.

It has been decided to start production centres attached to the homes set up under the moral hygiene and after-care programme of the Central Social Welfare Board. A sum of Rs. 2·5 crores has been earmarked for this purpose out of the total provision of Rs. 36 crores for State Government schemes during the Second Plan period. Over 30 such homes have already been started and during 1958-59 Production Centres have to be started attached to each of these homes. The State Governments are also going to start Quality Marking Centres.

The State Governments have strengthened their organisation for execution of schemes for the development of small scale industries, and the pace of implementation of the schemes during 1958-59 is expected to be better than that during the first two years of the Plan. A provision of Rs. 4·39 crores (grants Rs. 1·20 crores and loans Rs. 3·19 crores) has been made in the Budget Estimates for 1958-59 for financial assistance to the State Governments.

A provision of Rs. 20 lakhs has also been made in the Budget for 1958-59 for being disbursed as loans to small-scale industries in Union Territories under the State Aid to Industries Act or other regulations in force.

INDUSTRIAL ESTATES

The programme for the establishment of Industrial Estates was approved by the Small-scale Industries Board in January, 1955. The setting up of Industrial Estates seeks to remove small industrial units from crowded urban areas and to provide small units with factory space and common facilities for efficient working.

The original provision of Rs. 10 crores made in the Second Five Year Plan for Industrial Estates was increased to Rs. 15 crores. The entire finance for Industrial Estates is given as loans to State Governments.

A provision of Rs. 1 crore was made in the Budget for the year 1957-58 fo loans to State Governments for Industrial Estates. Sanction has been accorde upto December, 1957 to the establishment of 34 industrial Estates during financial year 1957-58 with loans amounting to Rs. 1 crore.

In the Rajkot estate, 19 blocks of four factory units each have been constructed. Small enterpreneurs have already occupied 14 of these blocks. In the industrial estate in Okhla, near Delhi, 21 of the 35 factories built have been occupied. Twelve small industrial units have already gone into production. In the Allahabad estate 24 factories have been completed and the other ten are receiving the finishing touches. In the estates at Palghat and Quilon in Kerala State, 16 factory units are under construction. In the Guindy estate in Madras 30 factory units are nearing completion. In a number of other estates in U.P., West Bengal, Mysore and other States land for the estate sites has been acquired and construction work is being taken on hand. All estates except the two at Okhla and Allahabad which are being constructed by the National Small Industries Corporation are being built by the respective State Governments.

Schemes for industrial estates are becoming increasingly popular. In addition to the large industrial estates near big towns and cities, small Estates in Community Development Blocks and Pilot Project areas have also been sanctioned. Special agencies have been appointed in some States for undertaking construction of factories. It is expected that the tempo of expenditure in 1958-59 will increase further.

A provision of Rs. 1·5 crores each has been made in the revised estimate for 1957-58 and Budget for 1958-59 for loan to State Governments for industrial estates. An additional provision of Rs. 10·82 lakhs has been made in the Budget for 1958-59 for the establishment of four small indusrial estates in Community Development Blocks in Union Territories—one each in Delhi, Himachal Pradesh, Manipur and Tripura.

INDIAN STANDARDS INSTITUTION

The Indian Standards Institution was set up in January, 1947. The main objects of the institution are to draw up and promote the general adoption of standards on national and international basis, relating to structures and commodities, materials, practices, operations, matters and things, and from time to time, to revise, alter and amend the same ; to promote standardisation; quality control and simplfication in industry and commerce ; to co-ordinate the efforts of proudcers and users for the improvement of materials, produce, appliances, processes and methods ; and to provide for the registration of standardization marks applicable to the products, commodities etc. for which it issues standards.

The affairs of the institution are managed by a General Council consisting of represnetatives of the various Ministries of the Government of India, State Governments and industries under the Presidentship of the Minister for Commerce and Industry.

The Institution has so far prepared 1,000 Indian standards. Government departments have so far adopted 830 standards.

With a view to bringing the Institution closer to the industries and consumer in different regions, three branch offices have been established at Bombay, Calcutta and Madras.

The Indian Standards Institute Certification Marks scheme, introduced under the Indian Standards Institution (Certification Marks) Act, 1952, was put into operation in 1955, to encourage improvement in the quality of indigenous products and help to create confidence in Indian products both in home and foreign markets.

The third Commonwealth Standards Conference was held in New Delhi in January, 1957, and was attended by delegates from Australia, Canada, India, New Zealand, Pakistan, United Kingdom, ECAFE and South Africa.

To consider the question of implementation of Indian standards and recognition of Certification Marks of the Indian Standards Institution in the country, a conference of representatives of States, Ministries of the Government of India, Production Units in the public sector, Commodity Boards, Export Councils, etc. was held in New Delhi on 23rd July, 1957. The recommendations made by the conference are being considered.

The expenditure of the Institution is met from the following sources:—

(*i*) Grants-in-aid from the Government of India.

(*ii*) Subscription from members including State Governments.

(*iii*) Sale proceeds of publication etc.

(*iv*) Others sources.

A sum of Rs. 13·83 lakhs has been provided in the Budget for 1958-59 for the Institution.

CONVERSION OF HANDLOOM INTO POWERLOOM

In order to enable handloom industry to increase its production to meet the requirements of textiles of the country in the Second Plan period and to enable the weaver to increase his earnings, Government decided in June, 1956 to permit the installation of a limited number of powerloom in the handloom sector under the co-operative fold. For this purpose, financial assistance is being given to the State Governments to meet the cost of powerlooms, working capital, processing plants, training and other connected items. During 1956-57, schemes involving a total of 7,155 powerlooms were approved. Rs. 63·4 lakhs were paid in 1956-57 to State Governments for these schemes, Grants and loans totalling Rs. 73 lakhs sanctioned in 1957-58 representing mostly the balance amounts due for schemes approved in the preceding year. No appreciable progress has been reported by the State Governments in the implementation of the schemes. It is expected that the schemes sanctioned in 1956-57 will be fully implemented during 1957-58 and 1958-59. A provision of Rs. 188 lakhs, Rs. 30 lakhs for grants and Rs. 158 lakhs for loans, has been made in the Budget for 1958-59 for 8,000 powerlooms.

COIR INDUSTRY

A provision of Rs. 70 lakhs was originally made in the Second Five Year Plan for schemes for development of coir industry, to be implemented by State Governments. In view of the importance of coir as a foreign exchange earner this provision has been increased to Rs. 140 lakhs.

A provision of Rs. 10 lakhs has been made in the Budget Estimates for 1958-59 for loans to the industry.

A provision of Rs. 8 lakhs has been made in the revised estimates for 1957-58 in respect of expenditure by the Coir Board out of the collection of cess on coir for development of coin industry. A provision of Rs. 12 lakhs has been made in the Budget for 1958-59

EXHIBITIONS AND SHOW-ROOMS ABROAD

In order to give commercial and visual publicity to exportable merchandise in important markets abroad, arrangements are made to participate in important fairs and exhibitions in foreign countries. In the same connection, Government maintains permanent display of Indian merchandise in commercial show-rooms established in certain countries abroad.

India's participation in Exhibitions and Fairs abroad has resulted in favourable business with foreign countries. In view of the increased trade and commercial activity of India in the United States of America, West Germany, and West Asia and also the recommendations of the delegations of Indian business men to some of these countries, it is proposed to provide for show-rooms or trade centres durring 1958-59 at San Francisco, Accara, Beirut and Hamburg.

STATE TRADING CORPORATION

The State Trading Corporation of India (Private) Ltd., was set up on the 18th May, 1956. The authorised capital of the Corporation has been increased from Rs. 1 crore to Rs. 5 crores, of which Rs. 1 crore is paid up.

A provision of Rs. 2·5 crores has been made in the Budget for 1958-59 for purchase of shares in the Corporation.

In addition to its headquarters at New Delhi, there are at present three regional offices at Calcutta, Bombay and Madras.

One of the principal objects of the State Trading Corporation is to augment the country's exports. For this purpose the Corporation is exploring some new markets. Trade relations are being established with countries who have not thus far figured prominently in India's foreign trade. It has been found that sometimes these countries are handicapped for want of Rupee exchange while making purchases from India. Such handicaps are generally temporary resulting from the long time taken in shipment of their goods to India and occasional delays in payments being made for them. In order to ensure that the country's exports to these new markets do not suffer on account of temporary shortages of Rupee balances faced by them, it has been decided that the Corporation should grant advances to them to enable them to make payments for their purchases from India.

The volume of business transacted by Corporation in the first year of its operation ending June, 1957 was over Rs. 40 crores and it is expected to increase further

LOAN TO MESSRS. ATUL PRODUCTS LIMITED, AHMEDABAD

Messs. Atul Products Limited, Ahmedabad had made considerable progress in the manufacture of Azo and Napthol dyes and their expansion schemes aimed at increasing the range of these dyes, manufacture of Vat dyes and expansion of production of pharmaceuticals. The resources of the company were insufficient to undertake the proposed development quickly and left to themselves the completion of various stages might have taken years. As Government were keen to accelerate development, and to see that production was established on a sound basis as soon as possible, it was decided to assist this firm by the grant of a loan of Rs. 3 crores in instalments.

Messrs. Atul Products have so for drawn two instalments one of Rs. 75 lakhs on the 31st March, 1955 and the second of Rs. 57 lakhs in March, 1957. No amount was drawn during 1955-56. A provision of Rs. 50 lakhs was made during

the current year, but the firm it is understood, is not likely to draw this amount. Their requirements for the next year are estimated at Rs. 50 lakhs for which provision has been made in the Budget.

THE NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION (PRIVATE) LTD. AND THE HINDUSTAN HEAVY ENGINEERING CORPORATION (PRIVATE) LTD.

The National Industrial Development Corporation was set up in 1954 as a Government company with an authorised capital of Rs. one crore, of which Rs. 10 lakhs were initially subscribed. Its Board of Directors consisting of official and non-officials are all nominated by the Central Government with the Minister of Commerce and Industry as the Chairman.

The main functions of the Corporation are :—

(*i*) to formulate and, where so determined, execute projects for setting up new industries in the country ; and

(*ii*) to act as the agency of the Government for the grant of loans to the jute and cotton textile industries for the rehabilitation and modernisation of their machinery.

It has been decided to give special assistance to the machine tool industry in order to achieve increased indigenous production of machine tools.

Preliminary investigations relating to a number of projects such as those for producing organic intermediates, raw film, aluminium, newsprint and synthetic rubber, have been completed by the Corporation. The implementation of these projects is dependent upon the availability of satisfactory terms of foreign collaboration, technical and financial Negotiations have been in progress with suitable overseas parties in respect of all the projects.

The Government of the U.S.S.R. have offered to provide credit and collaboration to establish plants for heavy machine building and coal mining machinery. It has been decided to form a new Government company. 'The Hindustan Heavy Engineering Corporation Private Ltd.' to progress these and other projects likely to come up in the heavy engineering field. The new company is to have an authorised capital of Rs. 50 crores. A provision of Rs. 75·20 lakhs has been made up in the Budget for 1958-59 towards the initial share capital of the new company.

Government have been providing finance in the shape of grants and loans to the National Industrial Development Corporation. A sum of Rs. 55 crores has been provided in the Second Five Year Plan for all its projects. This includes provision required for grant of loans to jute and cotton textile industries.

A provision of Rs. 8·5 lakhs and Rs. 5 lakhs has been made in the Revised estimate for 1957-58 and Budget estimate for 1958-59 respectively for grants, and Rs. 230 lakhs and Rs. 310 lakhs respectively for loans.

KHADI INDUSTRY

Traditional Khadi.—The First Five Year Plan envisaged an organisation to advise the Central Government on the development of Khadi and village industries which are of substantial importance in relieving un-employment and under-employment, particularly in rural areas. In order to prepare and execute programmes All India Khadi and Village Industries Board was set up in January, 1953. The functions of the Board were taken over by the All Khadi and Village Industries Commission, a statutory body, with effect from the 1st April, 1957.

The Commission implements its programmes direct or through the agency of registered institutions, co-operative societies, State Governments and Statutory State Boards. Funds are placed at the disposal of the Commission which, in turn, finances the agencies through which the programmes are implemented.

As a result of the financial assistance provided by Government for the development of the khadi industry, production has shown steady increase every year. Production during the year ending 31st March, 1957 was worth Rs. 7·30 crores.

The programmes for the development of the khadi industry (other than Ambar khadi) are financed out of the cess on mill-made cloth.

A provision of Rs. 350 lakhs has been made in the budget for 1958-59.

Ambar Khadi.—Out of the total estimated additional requirement of cloth during the priod of the Second Plan, a quantity of 300 million yards has been earmarked for production by using hand-spun yarn. The responsibility for production of cloth with hand-spun yarn has been entrusted to the Khadi and Village Industries Commission. A new four spindle manually operated charkha known as the 'Ambar Charkha' has been developed. The charkha has been adopted for producing the quantity of yarn required for attaining the target of 300 million yards of cloth under the Second Plan.

A pilot scheme for the introduction of 6,000 Ambar Charkhas was sanctiotned in November, 1955. Later in May, 1956, sanction was accorded to the introducion of 10,000 Ambar Charkhas. The Ambar Charkha Enquiry Committee was appointed in March, 1956 to investigate and report on certain technical and economic aspects of the charkha. In the light of the recommendations made by the Committee, sanction was accorded to the introduction of 75,000 charkhas during the Year 1956-57. During the year 1957-58, a programme for the introduction of 1,80,000 additional Ambar Charkhas has been approved.

A provision of Rs. 500 lakhs has been made in the budget for 1958-59 for this scheme.

VILLAGE INDUSTRIES

The following village industries fall within the purview of the Khadi and Village Industries Commission :—

(*i*) Bee-keeping.
(*ii*) Cottage match industry;
(*iii*) Cottage pottery industry;
(*iv*) Cottage soap industry;
(*v*) Flaying, curing and tanning of hides and skins and ancillary industries connected with them and cottage leather industry;
(*vi*) Ghani oil industry;
(*vii*) Hand-made paper;
(*viii*) Manufacture of cane-gur and Khandsari;
(*ix*) Palm gur making and other palm products industry;
(*x*) Processing of cereals and pulses;
(*xi*) Fibre (other than coir); and
(*xii*) Blacksmithy and carpentry

The activities of the Commission aim at preparing and organising programmes for the production and development of village industries, including training of personnel, manufacture and supply of equipment, supply of raw material, marketing and research and study of the economic problems of different village industries. In order to encourage the use of improved implements, these are supplied on subsidized basis to the co-operative societies.

In order to improve the competitive capacity of village industries, which are facing competition from the organised sector, subsidies are sanctioned at varying rates.

Loans for share capital of co-operative societies have been sanctioned for the following village industries :—

(*i*) Ghani Oil.

(*ii*) Palm gur.

(*iii*) Handpounded rice.

The Commission is also running an Intensive Area Scheme for the integrated economic development of group of villages. The activities of the Commission are co-ordinated with the activities of the Community Development Organisation and funds are earmarked by the former for the development of village industries in the community development areas.

A provision of Rs. 427 lakhs has been made in the budget for 1958-59.

SILK INDUSTRY

The sericulture industry affords part-time employment to nearly 50 lakhs of the rural population in the sericultural areas. During the First Five Year Plan the activities of the Central Silk Board, which looks after the development of the industry, were directed towards the creation of an efficient organisation both on the technical as well as the administrative side to ensure the rapid implementation of the schemes for the development of sericulture.

In the Second Five Year Plan the Board envisages a comprehensive programme for development of the industry. The total expenditure anticipated during the Plan amounts to Rs. 5 crores exclusive of working capital. Out of this a sum of Rs. 1 crore is provided for schemes to be directly undertaken by the Board. These schemes relate to research and training facilities and also the administration of the Board. The remaining 4 crores represents expenditure to be incurred on schemes to be undertaken by the various States towards which appropriate assistance is afforded by the Central Government on the recommendations of the Board. These schemes mainly relate to the improvement of the quality and quantity of silk produced in the country.

It is estimated that demand for silk within the country is of the order of 3 million pounds against the present production of about 2·5 million pounds. The Plan aims to make the country self-sufficient by the end of 1961 and to improve the quality of the product.

A provision of Rs. 69 lakhs has been made in the Budget for 1958-59.

DEVELOPMENT OF HANDICRAFTS INDUSTRY

The All India Handicrafts Board, which was constituted in November, 1952, is responsible for the development of handicrafts industry. The schemes received from the States are scrutinised by the Board and the Central Government sanctions assistance on Board's recommendations. The Board also executes its own schemes, *e.g.*, organisation of exhibitions, Pilot Centres, Design Centres and Museums. The Board does not undertake trading operation but credit facilities are provided for running of emporia by State Governments and institutions.

The Board has participated in exhibitions in and outside India.

The All India Handicrafts Board also recommends loans to various State Governments for implementation of schemes for development of handicrafts in those States as envisaged in the Second Five Year Plan.

The Second Five Year Plan assigns an important role in the production of consumer goods by decentralised units with a view to conserve available capital resources for basic industries and provide additional employment. The Planning Commission have agreed to allocate a sum of Rs. 9 crores for the purpose, exclusive of working capital which should be provided in addition.

It is proposed to set up a Handicrafts Corporation to increase exports of handicrafts, organise internal production and improve quality of the products, publicise and promote the development of handicrafts industry in various other ways.

HINDUSTAN INSECTICIDES (PRIVATE) LTD.

A factory for the production of 700 tons of technical DDT per annum was established at Delhi with financial and technical assistance from the UNICEF and WHO. Plant and machinery worth Rs. 11·90 lakhs were given by the UNICEF. The Government of India's contribution in the form of buildings, services and auxiliaries was about Rs. 38 lakhs approximately, upto the end of the First Plan period.

The construction of the factory was started in November, 1953 and the factory went into trial production in March, 1955.

A scheme for doubling the capacity of this factory was started in 1955-56 and is at present under way. The total cost of doubling is estimated at Rs. 21·24 lakhs. The expansion project is now scheduled to be completed in March, 1958.

Another DDT factory, with a capacity of 1,400 tons of technical DDT, is being established at Alwaye in Kerala State. The estimated cost of the Alwaye project is Rs. 79 lakhs. The erection of the plant and machinery has been completed. Trials are now being carried out and regular production is likely to start shortly.

These factories are being managed by Messrs Hindustan Insecticides (Private) Ltd., which has an authorised capital) of Rs. 1 crore. So far, the Government of India have been making investments in the Company in the form of share capital. Government's contribution stood at Rs. 62 lakhs on 31st March, 1957.

A provision of Rs. 50·33 lakhs (Rs. 35 lakhs for share capital and Rs. 15·33 lakhs for loans) and Rs. 35·46 lakhs (Rs. 3 lakhs for share capital and Rs. 32·46 lakhs for loans) has been made in the revised estimates for 1957-58 and Budget for 1958-59 respectively.

HINDUSTAN ANTIBIOTICS (PRIVATE) LIMITED

The management of the penicillin factory set up by the Government of India at Pimpri with the financial and technical assistance of the U N I C E F and the United Nations Technical Assistance Administration was transferred to a limited liability company known as the Hindustan Antibiotics (Private) Limited in June, 1954. The Company is a wholly Government owned enterprise with an authorised capital of Rs. 4 crores. The Government of India have provided land for the factory and other buildings and services for running the factory at an estimated cost of about Rs. 1·30 crores while the UNICEF have supplied the plant and machinery valued at $850,000 and the UNTAA have given technical assistance to the tune of $350,000.

The factory was planned to produce 3·6 million mega units rising to 9·0 million mega units of penicillin per year. However, after one year of regular production which started in August, 1955, the factory has reached a production rate of 18 million mega units per annum.

To meet the increased requirements of penicillin in the country, work is in progress to expand the installed capacity of the plant by about 60 per cent. at a cost of about Rs. 60 lakhs. It is expected to complete the expansion work in 1958 when the annual production is expected to go up to 26/28 million mega units.

A research centre is functioning in the factory. The centre aims at improvement of the quality of penicillin produced.

It is proposed to install a plant for the manufacture of streptomycin during the Second Five Year Plan period. Negotiations with a few foreign firms for technical collaboration in the project are under way and it is expected that a start will be made for implementing the project early in 1958-59.

A provision of Rs. 15 lakhs in the revised estimate for 1957-58 and Rs. 1 lakh in the Budget for 1958-59 has been made.

CAPITAL OUTLAY ON SALT WORKS

A provision of Rs. 20 lakhs has been made in the Budget for 1958-59 for the development of existing Government salt works and Mandi Mines. The development of existing salt sources is a continuing process and provision made therefor will be spent on the following :—

(1) Improvement of brine supply and existing works.

(2) Improvement of water supply.

(3) Medical and Educational facilities for staff and labour.

(4) Amenities for staff and labour.

(5) Improving the system of transport of salt from salt pans to stores.

During the year 1956-57, the operation of the Government salt factories resulted in a net loss of Rs. 3,42,951.

SINDRI FERTILIZERS AND CHEMICALS (PRIVATE) LTD.

Loan for Sindri Expansion Scheme.—The contract for the supply, erection and commissioning of the main plant and equipment for the production of two new fertilizers at Sindri, *viz.*, urea and ammonium sulphate nitrate (double salt),

was awarded to Messrs Montecatini of Milano, Italy in January, 1955 at a total contract price of slightly over Rs. 7 crores. Messrs Montecatini are executing the contract work in colaboration with Messrs Ansaldo of Genoa, Italy. The scheme is based on the utilisation of the entire quantity of 10 million c.f.t. of coke oven gas from the existing coke oven plant at Sindri, and will, on completion, result in the production of 70 tons of urea and 400 tons of double salt per day. Expressed in terms of the nitrogen content of the fertilizers to be produced this will mean an increase of Sindri's present capacity by over 60 per cent. In addition to the work entrusted to the firm, Sindri Fertilisers and Chemicals have also undertaken certain ancillary items of work for the dovetailing of the plants being erected with the existing plants at Sindri. The cost of such works is expected to be about Rs. 4 crores. The Government of India have agreed to advance a sum of Rs. 7 crores to the Company, to enable them to finance the cost of the contract awarded to Messrs Montecatini.

Out of the total cost of approximately Rs. 11 crores for the entire scheme a sum of approximately Rs. 7 crores is expected to be spent in foreign exchange.

The new plants proposed to be erected are expected to be initially commissioned by the middle of 1958-59. Works on the scheme is proceeding satisfactorily.

During 1956-57 Rs. 172 lakhs was given as loan for the Sindri Expansion Scheme. A provision of Rs. 132 lakhs and Rs. 138 lakhs has been made in the revised estimates for 1957-58 and Budget for 1958-59, respectively for grant of loan to the Company.

NANGAL FERTILIZERS AND CHEMICALS (PRIVATE) LTD.

With a view to meet the increased demand for artificial fertilizers, the Government of India set up Nangal Fertilizers and Chemicals (Private) Ltd., with an authorised capital of Rs. 30 crores for undertaking a project of ammonium nitrate at Nangal with an annual capacity of 70,000 tons of nitrogen in conjunction with the production of heavy water. This is a wholly Central Government concern.

Progress has been maintained substantially in accordance with the time schedule and the factory is expected to go into production early in 1960.

In October 1957, a contract was awarded to Messrs Saint Gobain of Paris for the supply, erection and commissioning of the fertilizer group of plants on deferred payment terms. The contract relating to the supply of electrical equipment on deferred payment terms has been awarded to Messrs English Electric Company Ltd., 3,761 acres of land have also been acquired for the factory.

A construction colony consisting of 254 four-roomed hutments has been completed. Type designs of all categories of residential buildings in the permanent township have been finalised and working drawings and detailed estimates for about half of the type designs are also ready.

The road from the Nangal Dam to the construction colony and also the main road running east-west through the factory estate have been completed. The laying of the Railway siding for the factory is expected to be completed by May, 1958. The Company has accepted direct responsibility for the execution of all civil works in the factory proper according to the drawings and designs to be furnished by the technical consultants of the project and by Messrs Saint Gobain

in respect of the electrolysis plant and the fertilizer group plants respectively. Further, the responsibility for the erection of the electrolysis plant will also be undertaken departmentally under the supervision of the supplier of the equipment.

The total cost of the project is estimated at Rs. 30 crores and a provision of Rs. 22 crores has been made in the Second Plan. An expenditure of Rs. 178·84 lakhs was incurred during the year 1956-57 for the purchase of Shares in the Company. A provision of Rs. 225·60 lakhs has been made in the revised estimates for 1957-58 and Rs. 404·96 lakhs in the Budget for 1958-59.

ASSISTANCE TO INDUSTRIAL SCHEMES IN THE STATES DURING THE SECOND FIVE YEAR PLAN

The State Plans include a number of industrial schemes for implementation during the Second Plan period. A provision of Rs. 32 crores has been made in the Second Plan in respect of the industrial projects of the State Governments. While recurring expenditure in respect of the schemes would be met by the State Governments, the non-recurring expenditure would be met by the Government of India, by way of loans to State Governments.

A provision of Rs. 60 lakhs has been made in the revised estimates for 1957-58 and Rs. 200 lakhs in the Budget for 1958-59.

THE NATIONAL INSTRUMENTS (PRIVATE) LTD., CALCUTTA

The National Instruments Factory, Calcutta, which is engaged in the manufacture of survey, drawing, mathematical and scientific instruments, has been managed departmentally since 1830 as a Mathematical Instruments Office. It was felt that the Factory should run on commercial lines.

Accordingly, a private limited company under the name of 'The National Instruments (Private) Limited' was set up in June, 1957 which took over the management of the factory. The total assets and liabilities, which were transferred to new Company, are estimated at Rs. 1,21,90,700 and Rs. 38,25,500 respectively.

A provision of Rs. 19·26 lakhs has been made in the revised estimate for 1957-58 for investment in the share capital of the Company. Rs. 2 lakhs have been provided in the Budget for 1958-59 for loan to the Company.

MINISTRY OF COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT PROGRAMME

The central object of the programme is to secure the fullest development of the material and human resources of rural areas. For the attainment of this object, the programme comprises intensive work for agricultural development, social education, improvement in the health of the population and introduction of new skills and new occupations, so that the programme as a whole can lift the rural community to higher levels of organisation and arouse enthusiasm for new knowledge and new ways of life.

The development programme was launched on 2nd October, 1952 by taking up work on 55 Projects under the Indo-U.S. Operational Agreement on a three year basis, which was subsequently extended by one more year without additional expenditure. Further extension of the period of operation of the projects for various terms was allowed to most of the States to enable them to utilise unspent

balances. Each Project comprised roughly about 300 villages with a population of about 3 lakhs and an area of about 450—500 square miles. The dimensions of a development block are one-third of those of projects, 3 such blocks making a full project. The estimated ceiling expenditure on a rural Community Project of a basic type is Rs. 65 lakhs.

A supplementary programme in furtherance of the purposes and objectives of the development programme was taken up in October, 1953 and in subsequent years under supplements to the Agreement referred to above. This programme comprises opening of 53 Community Development Blocks of basic type estimated to cost Rs. 15 lakhs each and conversion of 400 National Extension Service Blocks into Community Development Blocks for intensive development. Each block comprised roughly 100 villages and a population of 66,000. The estimated ceiling expenditure on a block converted during the First Plan period is also Rs. 15 lakhs including expenditure incurred at the National Extension Service stage whereas that on a block converted during the Second Plan period is Rs. 12 lakhs only including expenditure incurred at the National Extension Service stage. The total contribution so far agreed to by the Government of U.S.A. in respect of the Community Projects and Development Blocks referred to above under the aforesaid Agreement amounts to 12·24 million dollars. The rupee expenditure on these Projects and blocks is to be borne by the Government of India.

NATIONAL EXTENSION SERVICE

In pursuance of the recommendations of the Planning Commission a National Extension Service was organised in October, 1953 and it was decided to cover about one-fourth of the country with such Extension blocks during the First Plan period. This envisaged the allotment of 1,200 blocks in all during that period including the 55 Community Projects and 53 Community Development Blocks referred to above which were taken as equivalent to 300 Blocks. The programme for the Second Plan as adopted on the recommendations of the National Development Council, is to cover the remaining three-fourth of the country with National Extension Service Blocks, at least of 40 per cent. of which are to be converted into Community Development Blocks for more intensive development. A total allocation of Rs. 200 crores has been made for this programme in the Second Five Year Plan which envisages the allotment of 3,800 National Extension Service Blocks of which at least 1,120 are to be converted into Community Development Blocks.

In order to keep up the tempo of development work in the Community Development Projects/Blocks after the expiry of their scheduled period of operation and *ad hoc* grant of Rs. 30,000 per annum per block is provided for a period of 3 years to be utilised on the programme of local works and social education. This expenditure is also shared with the States in the prescribed proportion.

After completion of the programme, each Development Block will continue to retain on a permanent basis the personnel of the National Extension Service. The Central Government will bear 50 per cent of the recurring expenditure on such staff with the State Government.

According to the year-wise phasing of the programme for the country as a whole, 750 National Extension Service and 260 Community Development Blocks are expected to be allotted during 1958-59.

As pointed out above, the Community Development programme is partially financed from assistance under the Technical Co-operation Mission Programme. out of the total agreed assistance of 12·24 million dollars, equipment worth 11·47 million dollars has arrived in India and the balance is expected to be received during

1957-58. Besides, equipment worth 2 million dollars is also expected to be received during 1958-59 from the United States Government under the Loan Assistance Development Programme.

The total committed expenditure on the programme taken up in the First Plan is Rs. 96·5 crores against which the actual expenditure in the first plan period was Rs. 47·3 crores. The total amount allocated for the programme in the Second Plan is Rs. 200 crores including the spill-over of about Rs. 49 crores from the First Plan to the Second Plan. The total expenditure incurred on the programme to end of 1956-57 is about Rs. 70 crores and that anticipated during 1957-58 is about Rs. 37 crores. These figures are inclusive of State share.

A provision of Rs. 21·92 crores (12·70 crores for grants and 9·22 crores for loans) has been made in the Budget for 1958-59 for Community Development and National Extension Service.

MINISTRY OF DEFENCE

BHARAT ELECTRONICS (PRIVATE) LTD., BANGALORE

Bharat Electronics (Private) Ltd., a State undertaking, was set up in 1954 to produce electronic, radio and radar equipment and radio tubes and components.

The Company is intended to meet the requirements of equipment by the Armed Services and Government Departments and also produce radio components and tubes.

The current production programme includes transmitters, communication receivers and certain other equipment required by Government Departments. Development work on some of the wireless sets required by the Services and Civil Government Departments is also being carried out.

The Company commenced production in December, 1955 with jigs and tools required for a general purpose receiver and a 400 watt transmitter.

In spite of initial set backs, the total value of production including equipment components, jigs, tools and other miscellaneous items was about Rs. 20·4 lakhs upto March 31, 1957. The corresponding figure for the nine months ending 31st December, 1957 has been Rs. 35·6 lakhs. The production will progressively increase.

The entire capital is subscribed by the Government of India. The capital so far subscribed is Rs. 406·25 lakhs of which Rs. 187·5 lakhs was subscribed in the First Plan period.

A provision of Rs. 62·5 lakhs has been made in the Revised Estimates for 1957-58 and Rs. 75·0 lakhs in the Budget Estimates for 1958-59.

HINDUSTAN AIRCRAFT (PRIVATE) LIMITED

Hindustan Aircraft Ltd. was constituted as a private limited Company in December, 1940 with an authorised capital of Rs. 4 crores which has since been raised to Rs. 18 crores. The share of the Central Government is 91·2 per cent. and that of the Mysore Government 8·8 per cent. Government of India had invested Rs. 1·2 crores up to 1950-51 and Rs. 2·0 crores during the First Plant period. Rs. 3·0 crores were further invested during 1956-57.

In 1950 besides the overhaul and repair of aircraft and aero-engines, the factory started assembly/manufacture of aircraft. Since then it has undertaken the assembly/manufacture of Prentice trainer and Vampire fighter aircraft for the Indian Air Force under licence agreements with the manufacturers in the United Kingdom. The factory has also designed and developed a basic trainer aircraft, the HT-2, for use by the IAF and civil flying clubs.

Among important recent developments have been:—

(*i*) A licence agreement was entered into on the 15th September 1956 with a British firm for the manufacture of a modern light fighter aircraft, the 'Gnat'.

(*ii*) For the design and development of modern aircraft in India, the design department has been expanded by the appointment of a team of German aeronautical experts.

(*iii*) A licence agreement was entered into on the 15th September 1956 with a firm in the United Kingdom for the manufacture of jet-aero-engines. Preliminary work on this project has since been started.

2. On the commercial side, the factory has been producing rail-coaches for the Railway Board and bus bodies for the various transport authorities in the country. With the expansion of activities on the aircraft manufacturing side, it has been decided to close down the manufacture of bus bodies. As regards railcoaches, the factory will now be switching over to the manufacture of integral type railcoaches similar to those being manufactured at the integral railcoach factory at Perambur. As the manufacture of integral railcoaches involves new techniques, an assistance agreement has accordingly been entered into with the West German firm, Maschinenfabrik Augaburg-Muernberg. According to the programme 500 integral type railcoaches will be produced during the first five years in addition to a certain number of coaches of the existing type (model 407), the production of which will gradually taper off. After the end of 5 years, the capacity of the railcoach factory will have been developed to produce 300 integral type railcoaches per year.

A provision of Rs. 1·5 crores has been made in the Revised Estimates for 1957-58 and Rs. 3·0 crores in the Budget Estimates for 1958-59.

MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH

COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH

Apart from the continuation and expansion of its existing activities during the Second Plan period, the Council of Scientific and Industrial Research have undertaken a programme of setting up new Institutes and Research Centres.

In the First Plan period 14 Laboratories and Research Centres were opened and an expenditure of Rs. 451·44 lakhs was incurred.

A sum of Rs. 19·65 crores has been provided in the Second Plan period for developmental expenditure of the Council.

Eleven new Laboratories and Research Centres have been opened so far in the Second Plan period. Work on for more Laboratories is expected to start soon.

A provision of Rs. 447·35 lakhs has been made in the Budget for 1958-59 for grant to the Council of Scientific and Industrial Research.

A statement showing the receipts and payments of the Council for the year 1956-57 is given below :—

Receipts	Rs. (In lakhs)	Payments	Rs. (In lakhs)
Opening Balance as on 1st April 1956	25·55	Amount actually spent during 1956-57	485·50
Grants-in-aid received during 1956-57	283·40	Closing Balance as on 1st March, 1957	56·89
Receipts from other Sources	233·44		
TOTAL	542·39		542·39

NATIONAL RESEARCH DEVELOPMENT CORPORATION

The National Research Development Corporation was set up in December 1953 as a Government owned private company with a subscribed capital of Rs. 10 lakhs for development of promising patents and inventions of all types. Total investments in the form of share capital so far is Rs. 10 lakhs. Government also give loan to the Corporation on long term basis for its various schemes.

The Corporation is a non-profit making organisation, its expenditure being met out of the share capital and share of royalty and premia on processes leased out to industry. During the years 1953—57, the Corporation incurred a deficit of Rs. 2·36 lakhs which will be made good by a subsidy.

The number of projects for setting up and working of Pilot plants is gradually increasing. A project of the Fuel Research Institute on ' Coalene ' involving an estimated expenditure of Rs. 10·5 lakhs will be taken up in 1958-59. Coalene is intended to provide the base material for the manufacture of carbon electrodes required for electro-chemical and electro-metallurgical industries.

A provision of Rs. 5 lakhs has been made in the Budget for 1958-59 for a loan to the Corporation for capital expenditure.

MINISTRY OF FINANCE

SETTING UP OF A SECURITY PAPER MILL IN INDIA

It has been decided to set up a Security Paper Mill in India for the manufacture of currency, bank note and other security paper, in conjunction with M/s. Portals Ltd., of the United Kingdom, from whom such paper is at present being imported. A wholly Government owned private company is to be floated for this purpose and this company would enter into an agreement with M/s. Portals Ltd.

The total estimated capital cost of setting up a Security Paper Mill (inclusive of the residential colony etc.) will be approximately Rs. 4 crores.

The recurring cost is estimated at Rs. 20 lakhs per annum, for the first three or four years of the operation of the mill. This cost will go down when the foreign technicians are replaced by Indians.

No expenditure has been incurred on the scheme so far except Rs. 1,050 in 1956-57 on a preliminary survey. A site at Hoshangabad in Madhya Pradesh has been found suitable for construction of the Mill. A provision of Rs. 10 lakhs exists in the current year's budget but the scheme has not made any headway because of foreign exchange difficulties. Negotiations are under way in London to get deferred payment terms for the cost of the machinery and equipment etc. required for the mill.

The total provision approved for the Security Paper Mill in the Second Five Year Plan is Rs. 2·5 crores. Against this, the total estimated outlay comes to about Rs. 4 crores of which Rs. 2·5 crores will be in foreign exchange. A provision of Rs. 10 lakhs has been made in the Budget for 1958-59.

REFINANCE CORPORATION

The proposed Corporation which will be registered under the Companies Act, 1956, as 'the Refinance Corporation for Industry (Private) Limited' will be located in Bombay and will have an authorised capital of Rs. 25 crores divided into 2,500 shares of Rs. 1 lakh each but will start with an issued capital of Rs. 12½ crores. The initial issue will be subscribed by the Reserve Bank of India—Rs. 5 crores; the Life Insurance Corporation of India—Rs. 2·5 crores; the State Bank of India—Rs. 2·3 crores; and 14 other scheduled banks, selected according to the size of their deposits in India—Rs. 2·70 crores.

The management of the Corporation will vest in a Board consisting of seven Directors with the Governor of the Reserve Bank as Chairman.

The Corporation will provide re-lending facilities against loans given by banks to medium-sized industrial units in the private sector for the purpose of increased production primarily in industries included in the Second Five Year Plan. The Government of India will place with the Corporation Rs. 26 crores out of United States counterpart funds by way of loan for a period of 40 years at a rate of interest which is expected to be 4 per cent per annum *i.e.*, at the rate payable by the Government of India to the U. S. Government.

The provision of Rs. 15 crores made on this account in the Budget for 1957-58 has been surrendered owing to the fact that the Corporation has not yet been registered. A provision of Rs. 21 crores has, however, been made in the Budget for 1958-59.

INDUSTRIAL FINANCE CORPORATION OF INDIA

The Industrial Finance Corporation of India was established under the Industrial Finance Corporation Act, 1948 for the purpose of making medium and long-term credits more readily available to industrial concerns in India particularly in circumstances where normal banking accommodation is inappropriate or recourse to capital issue methods is impracticable. The authorised capital of the Corporation is Rs. 10 crores and the issued and paid-up capital Rs. 5 crores. The Central Government and the Reserve Bank have each subscribed Rs. 1 crore to the share capital of the Corporation. The shares of the Corporation are guaranteed by the Central Government as to the repayment of the principal and the payment of the annual dividend at such minimum rate as may be fixed by the Central Government. The rate fixed by the Central Government is 2¼ per cent. per annum. The general superintendance and direction of the affairs and business of the Corporation is vested in the Board of Directors, which, in the discharge of its functions, is guided by such instruction on questions of policy as may be given by the Central Government. The Central Government is empowered to nominate

four directors on the Board and also to appoint the Chairman, who is the Chief Executive.

In terms of Section 21(4) of the Industrial Finance Corporation Act, 1948, as amended by the Industrial Finance Corporation (Amendment) Act, 1957, the total borrowings of the Corporation are limited to ten times the amount of its paid-up capital and reserve fund The Corporation can now borrow upto Rs. 50·55 crores. The total borrowings of the Corporation aggregate to Rs. 26 crores approximately. The Corporation could, therefore, still borrow a further sum of Rs. 24 crores.

The total loans sanctioned by the Corporation from its inception upto the 30th June, 1957 amount to Rs. 55·12 crores out of which Rs. 30·2 crores were disbursed upto 31st December, 1957. The loans sanctioned during the year ended 30th June, 1957 amounted to Rs. 11·91 crores. The disbursement of loans during the year amounted to nearly Rs. 10 crores as against Rs. 2·82 crores, the highest amount disbursed so far in any previous year.

To enable the Corporation to meet the increasing demand from industrial concerns for financial assistance, the provision made in the Second Five Year Plan for Central Government loans to the Corporation has been increased from Rs. 13·5 crores to Rs. 22·25 crores. A sum of Rs. 10 crores out of the Plan provision has already been made available to the Corporation (Rs. 6 crores during 1956-57 and Rs. 4 crores so far during the current year) and an additional sum of Rs. 5 crores is proposed to be lent to the Corporation during the current year. A provision of Rs. 3 crores has been included in the Budget for grant of loans to the Corporation during 1958-59.

REHABILITATION FINANCE ADMINISTRATION

The Rehabilitation Finance Administration was set up under the Rehabilitation Finance Administration Act, 1948, to provide financial assistance on reasonable terms to displaced persons to enable them to settle in business or industry. The Administration consists of a Chairman, who is the Chief Administrator, four officials and four non-officials.

Under Section 11(1) of the Act, the Central Government may from time to time, advance money to the Administration upto Rs. 12·50 crores for the purpose of enabling the administration to advance loans. So far, the Administration has been granted advances aggregating Rs. 10·23 crores. The loans granted to the Administration carry interest at 3 per cent. per annum.

Upto the end of October, 1957, the Administration sanctioned loans in 15,809 cases amounting to Rs. 12·27 crores (net) and had about 7,000 applications pending disposal. The total loans actually advanced by the Administration to the displaced persons till that date amounted to Rs. 10·63 crores.

A sum of Rs. 25 lakhs has been provided in the Budget for 1958-59 for grant of loans to the Administration.

LOANS TO STATE GOVERNMENTS FOR SETTING UP STATE FINANCIAL CORPORATIONS

The State Financial Corporations Act, 1951 empowers the State Governments to establish financial corporations for the purpose of providing medium and long term finance to small and medium sized industry. The States now

having State Financial Corporations are Punjab, West Bengal, Bombay, Andhra Pradesh, Uttar Pradesh, Bihar, Assam, Kerala, Madhya Pradesh, Rajasthan and Orissa. The Madras Industrial Investment Corporation Ltd., has been functioning as the financial corporation of the Madras State.

In view of the fact that many States found it difficult to arrange the necessary finance for setting up of State Financial Corporations it was decided that the Central Government should give loans to State Governments for this purpose. During the First Five Year Plan period the State Governments of Travancore-Cochin (now Kerala), Saurashtra (now merged with Bombay) and Assam were granted loans of Rs. 15 lakhs, Rs. 10 lakhs and Rs. 15 lakhs respectively.

There is a provision of Rs. 1·2 crores in the Second Five Year Plan for grant of loans to State Governments for setting up State Financial Corporations. A loan of Rs. 10 lakhs was granted to the Orissa Government in 1956-57. A provision of Rs. 20 lakhs for grant of loans to the State Government for the purpose has been made in the Budget for 1958-59.

FOREIGN AID

(a) T.C.A. Programme

1. *River Valley and Irrigation projects.*—Operational Agreement No. 11 provides $ 8·1 million (about Rs. 4 crores) for purchase of equipment and supplies to assist in the construction of certain river valley projects *e.g.*, Chambal, Hirakud, Ghataprabha Mahi, etc. Equipment costing Rs. 352 lakhs is expected to arrive by March 1958 and equipment of the value of Rs. 35·71 lakhs is expected to be received for the Chambal Project (Rajasthan side) during 1958-59. The cost of equipment is being treated as loan to the State Governments concerned.

2. *Rehabilitation of Indian Railways.*—Operational Agreement No. 17 provides about $69 million (about Rs. 32·85 crores) for the procurement of 100 locomotives, 8730 broad and meter gauge wagons, 255,000 tons of railway steel and 4,000 tons of rails for the expansion and rehabilitation programmes of the railways. Locomotives and wagons costing Rs. 12·63 crores had arrived upto 31st March 1957. It is anticipated that steel and rails of the value of Rs. 6 crores and Rs. 8 crores would be received during the current and the next financial year respectively. The cost of the steel and rails will be recovered from the railways.

3. *Expansion of Rajasthan power facilities.*—A sum of $ 1·065 million has been allocated under Operational Agreement No. 23 for expansion of power facilities in Rajasthan. Equipment is being obtained under this agreement to renovate and augment the thermal stations in Rajasthan and to extend the transmission and distribution lines. A total of 20,000 kw of generating capacity will be installed. Equipment of the value of Rs. 8·93 lakhs was received during 1956-57. Equipment of the value of Rs. 20·33 lakhs and Rs. 21·46 lakhs is expected to be received during the current and the next financial year, respectively. The cost of the equipment will be adjusted as loan to the State Government.

(b) Colombo Plan.

1. *Umtru Project.*—The Canadian Government have agreed to supply equipment to the extent of $ 1·2 million for this project. Equipment to the extent of Rs. 36·68 lakhs has been received upto 1956-57. Equipment of the value of Rs. 1·33 lakhs and Rs. 5·02 lakhs will be received during the current and the next financial year respectively. The international market price of the equipment will be treated as loan to the State Government.

2. *Rail cars and wagons.*—Australia is supplying 2,000 railway wagons and 24 diesel railcars for the railways. Equipment of the value of Rs. 259·85 lakhs and Rs. 123·38 lakhs is expected to be received during the current and the next financial years respectively. The international market price of the equipment will be recovered from the Ministry of Railways.

MINISTRY OF FOOD AND AGRICULTURE

PURCHASE OF FERTILISERS

The Central Government are running a State Trading Schemes for the purchase and distribution of chemical fertilisers with a view to popularising their use and making them available to the cultivators at reasonable rates in the interest of maximising agricultural production. The State Government's requirements of fertilisers are first collected and procurement on global basis and distribution at a uniform rate planned accordingly. Of the chemical fertilisers sulphate of ammonia is the most popular and largely used by the cultivators.

In the budget for 1958-59 provision has been made for procurement and distribution of 4,47,000 tons of sulphate of ammonia and 2,31,500 tons of other new fertilisers, a part of which will be produced in the Indian Factories.

A provision of Rs. 24 crores has been made in the revised estimate for 1957-58 and Rs. 21·51 crores in the Budget for 1958-59. Out of the Budget provision of Rs. 21·51 crores, Rs. 9 crores are to be spent on purchase from overseas and the balance in India.

The fertilizers are sold to the State Governments etc. at a uniform price which includes an element of equalised railway freight. The pool bears the actual freight upto rail-head destination.

IMPORT OF FERTILIZERS UNDER T.C.A. PROGRAMME

Till 1956-57 the Central Government have been importing some small quantities of fertilizers like (a) urea (b) ammonium sulphate nitrate (c) calcium ammonium nitrate etc. under the Indo-American Technical Co-operation Aid Programme for demonstration purposes. There is no proposal to import any fertilizers in 1958-59 under the Aid Programme but certain outstanding adjustments on account of imports during the past years are expected to be made during the current and the next year. Accordingly a provision of Rs. 1·52 crores has been made in the revised estimate for 1957-58 and Rs. 10 lakhs in the Budget for 1958-59.

CENTRAL TRACTOR ORGANIZATION

The Government of India decided in 1947 to undertake reclamation of waste lands by using heavy tractors as part of the 'Grow More Food' campaign. The Central Tractor Organisation was accordingly set up for the purpose and it started its work from the year 1947-48 with about 100 old tractors taken over from the U.S. Army Disposals and reclaimed an area of 1,96,991 acres of land in the States of Madhya Pradesh, Punjab and Uttar Pradesh upto 1950-51 with these tractors. These old tractors were then withdrawn as these had completed their useful life.

Encouraged by the success achieved with these old tractors, the Government of India obtained a loan of 10 million dollars from the International Bank for Reconstruction and Development and purchased 270 tractors with the auxiliary equipment for a bigger programme of reclamation and jungle clearance. The amount of the loan actually drawn was 7·2 million dollars.

The Central Tractor Organisation has since its inception reclaimed a total area of 15,59,500 acres of kans infested lands and 57,200 acres of jungle lands in the States of Madhya Pradesh, Punjab, Uttar Pradesh and Assam upto the season 1956-57. Besides, land levelling and terracing work has been done in Bihar over an area of 1,500 acres during 1956-57.

The reclamation work done by the Central Tractor Organisation so far has added to the food resources of the country by 2·33 lakh tons per year at a conservative estimate.

A sum of Rs. 90·62 lakhs has been provided for the scheme in the revised estimate for 1957-58 and a sum of Rs. 85·81 lakhs in the Budget for 1958-59. The total provision for the scheme in the Second Five Year Plan is Rs. 4·5 crores.

TUBEWELL PROJECT

Under this project, which was taken up during the first plan period at an estimated cost of Rs. 4·2 crores, 700 tubewells are being constructed in the States of U.P. and Punjab. By the end of 1955-56, 541 tubewells had been drilled, 265 completed with pump sets and 118 energised. An expenditure of Rs. 193·56 lakhs had been incurred by the end of first plan period. By the end of November, 1957, 605 tubewells were drilled, 531 completed with pump sets and 396 energised. This programme is expected to be completed by June, 1958. When completed, these tubewells, are expected to irrigate about 2,10,000 acres of land and bring about additional production of 35,000 tons annually.

During the first two years of the Second Plan, States concerned were mostly busy in completing the tubewell construction programmes of the First Plan except Uttar Pradesh, Bombay and Assam, which had undertaken a programme of construction of 600, 100 and 9 tubewells respectively. Upto end of November, 1957 396 tubewells, were drilled, 98 completed with pump sets and 43 energised in Uttar Pradesh and Bombay. These programmes are likely to be completed during 1958-59 and new programmes for construction taken up in Madhya Pradesh, Rajasthan and Madras. About 90 tubewells constructed under the Ground Water Exploration projects are also expected to be taken over by the States concerned and their value treated as a loan to them.

In the Second Five Year Plan, a provision of Rs. 17·65 crores exists for construction of about 3,000 tubewells in the various States. Out of this, Rs. 3 crores were spent during 1956-57.

A provision of Rs. 3·37 crores has been made in the Revised Estimates for 1957-58 and Rs. 3·26 crores in the Budget Estimates for 1958-59 The provision proposed is for financial assistance to the State Governments by way of loans for their tubewell projects.

T.C.M. TUBEWELLS PROJECT

Three hundred and fifty exploratory tubewells are scheduled to be constructed in various parts of India with a view to obtaining suitable hydrological and geological data for sound development of groundwater resources in hitherto unexplored regions. The project is a continuous one from the first plan period. Upto the end of the First Plan period 30 bores had been drilled out of which 16 proved successful. The expenditure incurred upto the end of the same period including the rupee equivalent of the dollar aid utilised, was Rs. 83·78 lakhs. Till the end of November, 1957, 145 bores were drilled in all of which 50 proved successful. All the successful bores would be converted into production tubewells and transferred to the respective State Governments. The cost of successful tube-wells would be treated as loan to the State Governments. The total expenditure incurred on the Project upto the end of March, 1957 was Rs. 208·67 lakhs.

DELHI MILK SUPPLY SCHEME

In order to bring about improvement in the milk supply position of Delhi, a scheme has been undertaken under the Second Five Year Plan. About 7,000 maunds of milk is proposed to be handled daily. Under this scheme, a colony will be established on the outskirts of the city for about 3,000 milch cattle ; procurement of milk will be organised for villages in the territory of Delhi, as also from 'milk pockets' in the adjoining States of Uttar Pradesh and Punjab through a chain of nearly 30 milk collection centres ; a dairy will be set up in the city for the pasteurisation and bottling of milk ; and the work of distribution of milk to the public will be organised through about 1,000 sales depots located in different quarters of the city.

The scheme will be administered through a statutory Milk Board. Pending the creation of such a Board, the work is being done by an *ad-hoc* Milk Board. The Capital expenditure of the scheme has been estimated at Rs. 3·28 crores. In addition, a sum of Rs. 10 lakhs as revolving capital will be needed to meet the recurring cost. The Government of New Zealand have agreed to contribute £8 million under the Colombo Plan towards the cost of plant and machinery required for the Central Dairy and the milk collection and chilling centres.

Administrative approval and expenditure sanction for the construction of the main building for the Central Dairy and 10 Milk Collection and Chilling Centers have been accorded and global tender enquiries have been issued for purchase of equipment and machinery.

A provision of Rs. 12 lakhs has been made in the revised estimate for 1957-58 and Rs. 95 lakhs in the Budget for 1958-59 for purchase of equipment for the Central Dairy and land for the Cattle Colony.

DAIRY DEVELOPMENT SCHEME

In Second Five Year Plan great importance has been attached to Dairy Development Schemes. The total allocation for Dairy Development Schemes in the Second Plan is Rs. 16·67 crores, of which the Central Government will share Rs. 12·38 crores by way of grants and loans, the balance of Rs. 4·29 crores being met by State Governments. The programme for dairy development in the Second Plan aims at :

(i) establishment of 36 co-operative milk supply unions for improving supply of milk to cities with a population of a lakh or more ;

(ii) establishment of large milk supply schemes in Delhi, Calcutta, Madras, Bombay and Ahmedabad with colonisation of cattle for Delhi, Calcutta, Madras and Bombay ;

(iii) establishment of 12 rural creameries and 7 milk powder factories for better utilisation of milk in rural areas ; and

(iv) expansion of some of the existing dairy institutions to increase their milk handling.

During the first year of the Plan, the actual expenditure on the dairy development schemes was only Rs. 64·27 lakhs as against a budget provision of Rs. 2·10 crores as several States were unable to take up the schemes included in their Plans on account of the re-organisation of States. A provision of Rs. 180 lakhs has been made in the revised estimate for 1957-58 and Rs. 201·55 lakhs in the Budget for 1958-59 (Rs. 96·89 lakhs for grants-in-aid and Rs. 104·66 lakhs for loans to States)

NATIONAL CO-OPERATIVE DEVELOPMENT AND WAREHOUSING BOARD

The National Co-operative Development and Warehousing Board was established in September, 1956 under the Agricultural Produce (Development and Warehousing) Corporation Act, 1956.

The functions of the Board are to plan and promote programmes for the production, processing, marketing, storage, warehousing, export and import of agricultural produce through co-operative societies and warehousing corporations. It grants subsidies to State Warehousing Corporation and State Governments for financing co-operative societies, (ii) provides funds to a State Government or a Warehousing Corporation for financing co-operative societies for the purchase of agricultural produce on behalf of the Central Government, and (iii) subscribes to the share capital of the Central Warehousing Corporation.

During 1957-58, the Board approved of financial assistance to the State Governments to the extent of Rs. 273·19 lakhs by way of loans to be sanctioned by Government and Rs. 95·89 lakhs by way of subsidy to be sanctioned by the Board for implementing the Co-operative Development schemes.

During 1958-59, the Board will be required to give financial assistance to the State Governments for construction of godowns. Subsidies will also be sanctioned for construction of godowns by large sized societies and marketing societies.

The Central Warehousing Corporation was set up in March 1957, to facilitate the marketing of agricultural produce. The Corporation would acquire and build godowns and warehouses at suitable places and run them for storage of agricultural produce, seeds, manures, fertilizers and agricultural produce. It has opened six warehouses at different centres in the country.

The National Co-operative Development and Warehousing Board has subscribed Rs. 4 crores towards the share capital of the Central Warehousing Corporation against which Rs. 40 lakhs were paid in 1956-57 and Rs. 40 lakhs will be paid during the current year. A provision of Rs. 40 lakhs has been made in the next year's budget for contributing to the third call on the shares of the Corporation.

A provision of Rs. 2·0 crores has been made in the revised estimate for 1957-58 and Rs. 1·40 crores in the Budget for 1958-59.

CENTRAL WAREHOUSING CORPORATION

The Central Warehousing Corporation was set up in March 1957, under the provision of Section 17(1) of the Agricultural Produce (Development and Warehousing) Corporations Act, 1956.

The programme under the Second Five Year Plan envisages the setting up of 100 warehouses with a total capacity of 1·5 million tons approximately. Except in the State of Jammu and Kashmir, there will be State Warehousing Corporations and the Plan provides for the setting up of 250 warehouses with capacities varying from 1,000 to 10,000 tons at marketing and regional centres which are expected to provide storage facilities for one million tons.

The physical target for 1956-57 was fixed at 22 warehouses. However, no warehouse could be set up as the Central Warehousing Corporation itself came into existence in the last month of the financial year *i.e.*, March, 1957.

The authorised share capital of the Central Warehousing Corporation is Rs. 20 crores of which Rs. 10 crores was issued and Rs. 1 crore has been paid.

The Central Warehousing Corporation, apart from establishing Central Warehouses, has also to contribute towards the share capital of the State Warehousing Corporation. Under the Act, the Central Warehousing Corporation is required to contribute an amount equal to what the State Governments contribute towards the share capital. So far no construction has been taken up, even though 6 Central Warehouses have been started in different places. It is proposed to construct 30 Central Warehouses in 1958-59.

SUGAR AND SUGARCANE RESEARCH INSTITUTES

The administrative control of the Indian Institute of Sugar Technology, Kanpur and the Indian Institute of Sugarcane Research, Lucknow, was taken over by the Government of India from the Indian Central Sugarcane Committee in January 1954.

A scheme for expansion of the Indian Institute of Sugarcane Research, Lucknow is under the consideration of an Expert Committee. A provision of Rs. 1 lakh has been made in the Budget for 1958-59.

In order to meet the expanding requirements of the sugar industry, provision of Rs. 7 lakhs has been made under the Second Five Year Plan for the Indian Institute of Sugar Technology (now named National Sugar Institute), Kanpur, to enable it to purchase the special laboratory equipment and for modernising the existing experimental sugar factory. A provision of Rs. 1 lakh has been made in the Budget for 1958-59.

SUGARCANE DEVELOPMENT SCHEME

A scheme for intensive development of sugarcane cultivation which was included in the First Five Year Plan is being continued with the object of developing the entire area under sugarcane by 1960-61. A total sum of Rs. 5 crores has been accepted for the scheme during the Second Plan period for loans and subsidies to State Governments according to the accepted pattern of financial assistance. Loans under this sheme are taken only by the State Government of Bihar for the construction of tramway lines in sugar factory areas. A provision of Rs. 14·50 lakhs has been made in the Budget for 1958-59.

SUGARCANE BREEDING INSTITUTE, COIMBATORE

The Sugarcane Breeding Institute, Coimbatore, is engaged in evolving new varieties of sugarcane resistant to pests and diseases and with higher sucrose content. An Expert Committee has been set up to examine a scheme for modernising and expanding this Institute during the Second Plan period. The report of the Committee is under Government's examination .

A provision of Rs. 24·6 lakhs has been made in the Second Five Year Plan. No expenditure was incurred in 1956-57. For 1957-58, a budget provision of Rs. 1 lakh was made, but it is expected that only Rs. 50,000 will be spent on the puschase of equipment. For 1958-59, a provision of Rs. 50,000 only has been made mainly for the establishment of a research sub-station on the West Coast of India Kerala).

MINISTRY OF HEALTH

MALARIA ERADICATION PROGRAMME

The Second Five Year Plan includes provision for a national malaria control scheme at a cost of Rs. 27 crores out of which the share of the Central Government is Rs. 14 crores and that of States is Rs. 13 crores. The scheme was first started during 1953-54 and was designed to provide a nation-wide control programme for protecting a population of about 200 million residing in malarious parts.

It has now been decided to switch over from the control programme to the eradication programme from 1958-59.

A planned eradication programme means greater expenditure over a limited period of time as against considerable expenditure over an indefinite period as is envisaged in the control programme.

The national malaria control programme, it has been estimated, will cost Rs. 52 crores during the second and third Five Year Plan periods and the eradication programme Rs. 63 crores. After the third Plan period, while the expenditure on eradication programme will be only nominal, say about Rs. 2 crores for the whole country, the control programme is estimated to cost about Rs. 24 crores for each plan period.

In order to change-over from 'control' to that of 'eradication' programme, it becomes essential :

(i) to strengthen the existing endemic units in respect of staff and equipment in order to ensure 100 per cent. coverage to the areas in their ambit ;

(ii) to establish new units in areas where spleen rates are less than 10 per cent. and which had, on grounds of limitation of funds, been left out of the present control programme, as no areas where transmission of malaria can take place at, whatsoever a low level can be excluded from the eradication programme; and

(iii) to establish a surveillance organisation to make house to house survey to detect any possible residual focil of infection.

A substantial portion of the expenditure on the existing malaria control programme during the first two years of the Second Plan has been contributed by the United States International Co-operation Administration. As a result of the global policy in support of eradication of malaria, they are not prepared to give any further assistance for the continuance of the control programme. They have, however, agreed to provide to the Government of India as an out-right grant, the full amount of foreign exchange requirements (about $ 38 million) for the three years of operation commencing from 1958-59 for the eradication programme.

NATIONAL WATER SUPPLY AND SANITATION PROGRAMME

The National water supply and sanitation scheme for urban and rural areas was sanctioned in August-September, 1954. 255 urban and 133 rural Schemes of various States were approved under the programme and a sum of Rs. 829·46 lakhs as loan and Rs. 280·06 lakhs as grant-in-aid were paid to States during the First Five Year Plan period.

In the Second Five Year Plan Rs. 40 crores (including Rs. 10 crores for water supply and drainage schemes for Corporations) have been set apart in the Central Plan for distribution as loans to the States for their urban water supply and drainage schemes. In addition, the State Plans include a provision of approximately Rs. 23

crores for the same purpose. The Second Five Year Plan also contains a provision of approximately Rs. 28 crores for rural water supply schemes in the State Plans. A sum of Rs. 369·14 lakhs for urban and Rs. 84·94 lakhs for rural water supply schemes was sanctioned during the year 1956-57.

A budget provision of Rs. 550 lakhs for urban and Rs. 150 lakhs for rural water supply schemes exists during the current year. Upto the 31st December 1957 a sum of Rs. 483·0 lakhs as loan for urban area and Rs. 30·50 lakhs as grant-in-aid for rural areas have been paid to various State Governments. 258 urban and 133 rural Schemes of various States are under progress.

Under the Indo-U.S. Operational Agreement No. 25 a sum of $ 6·425 million has been made available by the United States Government for the purchase and transhipment to India, of equipment and material required for the national water supply and sanitation programme. Materials worth $ 3·21 million approximately were received and distributed during the year 1956-57. All the remaining stores are expected to be received during the year 1957-58. A further sum of $ 12,000 has been made available by the United States Government for the procurement of stores for the Central Public Health Engineering Organisation.

MEDICAL STORES DEPOTS

The Medical Stores Organisation has been in existence for the last sixty years It was under the control of the Army authorities till 1st June 1943 when it wars transferred to the late Department of Education, Health and Lands.

The organisation maintains four Medical Stores Depots at Madras, Karnal, Bombay and Calcutta. At the Depots at Madras and Bombay there is a factory attached for the manufacture of drugs, tinctures, tablets etc. The Depots supply drugs, instruments, appliances sundries, etc. (human and veterinary) of uniform quality and pattern at cheap rates to medical institutions in India which are enrolled as indentors. Apart from this, these Depots play an important part in meeting special demands for medical stores in connection with relief measures necessitated by floods, famine, earthquakes and other calamities. The number of indentors at present is about 9,000.

The Medical Stores Organisation has, after coming under the control of the civil authorities, made profits of Rs. 3,06,75,113 upto 31st March, 1956. This profit does not, however, represent a real profit as it is mainly the result of an increase in the value of stocks and assets and is not income realised from sales. The policy of Government is to run the Medical Stores Depots on a 'no profit no loss basis'. A departmental charge of 20 per cent is levied on all issues from the Depots to indentors to cover the overhead expenditure.

A provision of Rs. 1·70 crores exists in the budget for 1957-58 and a provision of Rs. 1·55 crores has been included in the budget for 1958-59. Against this, the recoveries anticipated are Rs. 1·88 crores in 1957-58 and Rs. 1·77 crores in 1958-59.

CINCHONA CULTIVATION

Before the war India imported large quantities of quinine every year. After the fall of Java in 1943, imports from that source were suddenly cut off. It then became necessary for Government not only to make purchases of quinine substitutes from abroad but also to explore means of augmenting quinine supply as quickly as possible by stepping up indigenous production. With this end in view, the Government of India, in collaboration with the Governments of West Bengal and Madras, undertook a Scheme of cinchona cultivation by a special

method which would make it possible to produce quinine within three years, at a comparatively higher cost. The Governments of Madras and West Bengal undertook to provide the services of their permanent technical staff and such other facilities as did not involve any extra expenditure to them. The areas planted under the scheme in Bengal and Madras were 961 and 3,703 acres respectively. Further planting under the scheme was discontinued in Bengal and Madras from 1946 and 1947 respectively.

The scheme was started essentially as an insurance against grave anticipated shortage of the vital drug during war time. The war, however, ended earlier than anticipated and the quinine situation eased with the end of the war. It was, therefore, decided to allow the plants in Madras to remain for a period of 10 years instead of 3 years as originally contemplated so that we could get a much larger yield of quinine from the plants. In West Bengal, however, the scheme proved a failure as the plantation could not be worked satisfactorily. It is felt that it would be financially unsound at this stage to wind up the scheme and it will be continued until all the plants in Madras have been harvested and processed for obtaining quinine salts.

The expenditure incurred on the scheme upto 1955-56 was about Rs. 107·68 lakhs as payments to the two State Governments who have managed the plantations on behalf of the Government of India. There is at present a stock of about 2½ lakhs pounds of cinchona bark from the harvest in West Bengal. In view of the poor demand for the bark in the market, the same is being processed into quinine salts. Harvesting of the plants in Madras is still in progress and it will take another 2 to 3 years to complete the conversion of the bark into quinine. The financial results of the scheme as a whole will be known only thereafter in the light of the then prevailing price of quinine. It is expected that the entire work of the extraction of bark on Government of India account will be completed within the next 2 or 3 years.

A provision of Rs. 4·5 lakhs has been made in the budget estimates for 1958-59.

SLUM CLEARANCE WORKS IN DELHI

A provision of Rs. 1,71 lakhs has been made for loan to the Delhi Development Authority for slum clearance works in Delhi during 1958-59. Of this, a sum of approximately Rs. 72 lakhs will be utilised for completion of the slum clearance schemes which have been taken in hand during 1957-58 and the balance is proposed to be spent for executing the following schemes :—

	(Cost in lakhs) Rs.
(1) Construction of 250 houses in industrial area	8·00
(2) Subsidised housing within the slum areas to be acquired during 1957-58	10·94
(3) Acquisition of 27 acres of land in Sabzimandi	6·53
(4) Acquisition and development of 100 acres of land for housing purposes	38·72
(5) Acquisition of certain slum properties	5·00
(6) Construction of 144 houses for use as Transit camps	5·76
(7) Construction of slaughter house (token provision)	1·00
(8) Improvement to slum katras	2·00
TOTAL	77·95

MINISTRY OF HOME AFFAIRS

POLICE HOUSING SCHEME

At the Home Ministers' Conference held in January, 1955, a suggestion was made by most of the Home Ministers of the States that the Central Government should help the States with financial assistance to enable them to provide housing accommodation to Police personnel. The reasons advanced in support of the suggestion were as follows :—

(i) The Police personnel in bigger towns mostly live under miserable conditions which undermine their efficiency and discipline ;

(ii) Their living in insanitary areas amidst doubtful characters produced an unwholesome effect on their bearing and discipline ;

(iii) The Industrial Housing Scheme had made good headway in some important towns and provided substantial benefits to workers. This created a feeling of discontent among low paid Police personnel who thought that being unvocal and disciplined they were apt to be neglected ;

(iv) The schemes for low and high income groups catered for individuals with fixed habitation and as such the Police personnel would not be able to take much advantage of it, as they could not ordinarily build houses where they had to serve.

It was decided that the expenditure on Police housing should be treated as non-development expenditure and State Governments may be given financial assistance, in the shape of matching loans repayable in 25 years, but the matching condition has since been dropped.

A lump sum provision of Rs. 3 crores was made in the Budget for 1956-57. A provision of Rs. 2·5 crores has been made in the revised estimates for this year and Rs. 2 crores in the budget for next year.

MINISTRY OF INFORMATION AND BROADCASTING

ALL INDIA RADIO

A sum of Rs. 215·59 lakhs has been provided in the Budget for 1958-59 of the All India Radio. The major projects for which provision has been made, include six 100 kw sw transmitters—four at Delhi and one each at Bombay and Madras, six 50 kw mw transmitters one each at Jullundur, Bombay, Calcutta, Ahmedabad, Bangalore and Tiruchirapalli; two 20 kw sw transmitters at Delhi, ten 20 kw mw transmitters one each at Ajmer, Delhi Indore, Calcutta, Patna, Cuttack, Vijayawada, Madras, Bombay and Tiruchi; seven 10 kw sw transmitters—one each at Ajmer, Bhopal, Lucknow, Simla, Gauhati (two) and Hyderabad; one 7·5 kw sw transmitter at Srinagar; two 2/1 kw sw transmitters at Dharwar and Ranchi, one 1 kw sw transmitter, studio and receiving centres at Poona Broadcasting House Studios Extension—Multi-storeyed building at Delhi ; Research Department at Delhi; Mobile Broadcast and Recording vans for stations under the three project circles at Bombay, Calcutta and Delhi, Soil conductivity and Field Strength measurement, permanent studios at Jullundur, Lucknow, Bhopal, Srinagar, Calcutta, Ranchi, Gauhati, Madras, Bombay, Tiruchirapalli, Nagpur, Ahmedabad and Bangalore; additional studio facilities at Hyderabad and Patna; Receiving Centres at Jammu, Srinagar, Lucknow, Bhopal, Vijayawada, Calcutta, Gauhati, Patna, Cuttack, Ahmedabad, Jullundur, Bangalore, Hyderabad, Trivandrum, Tiruchirapalli and Nagpur, staff training school, transcription service, proto-type unit.

The above projects when completed, will further improve the internal and external Broadcasting Services.

MINISTRY OF IRRIGATION AND POWER

DAMODAR VALLEY CORPORATION

The Damodar Valley Project comprises the construction of a series of 4 dams on the main Damodar River and its tributaries at Konar, Tilaiya, Maithon and Panchet Hills, with hydro-electric stations attached to the last three, two thermal power stations one each at Bokaro and Durgapur, a net work of transmission and distribution lines of about 1,725 miles and the Durgapur Barrage and Irrigation System comprising 1,550 miles of canals. The project is expected to afford flood protection to the Damodar Valley, to generate about 479,000 kw of hydro-electric and thermal power and to extend irrigation facilities to an area of 10,26,000 acres. Besides these main objectives, the project will also afford minor benefits like soil conservation, malaria control, fish culture and navigation, etc.

The progress on the various projects is summarised below :—

(a) *The Tilaiya Project.*—The project was completed in December, 1952 at a cost of Rs. 3·66 crores. The Hydro-electric station has a capacity of 4,000 KW.

(b) *Konar Dam.*—The Konar Dam was completed in 1955. The water of the reservoir is being utilised for cooling purposes in Bokaro Thermal Power Station. It is expected to utilise water for providing irrigation to about 104,000 acres of land in Lower Valley.

(c) *Maithon Dam.*—The Maithon Dam has been completed. The dam is designed to provide water for irrigating 270,000 acres in the Lower Valley while the Power House will be having an installed capacity of 60,000 KW. The first unit was put into commission on 30th October, 1957, and 2nd and 3rd units will be completed in 1958. The project will also afford a good measure of flood protection to the valley.

(d) *Panchet Hill Dam.*—The dam is primarily intended for flood control and power generation. It will also provide irrigation to a large area in the Lower Valley. The work on the project is in an advanced stage and is expected to be completed by December, 1958.

(e) *Durgapur Barrage.*—The barrage, including the bridge was completed in April, 1955. As regards the Irrigation sytsem 88·68 per cent. of the total earthwork involved has been completed. An area of 11,271 acres was irrigated in 1956 and of 1,43,000 acres in 1957.

(f) *Bokaro Thermal Power Station.*—It was completed and brought into operation in February, 1953. The Station has at present an installed capacity of 150,000 KW. The installation of a fourth set of 75,000 KW, has been taken up and is expected to be completed by 1959. The Station is supplying the much needed power to various kinds of industries and to the State Governments of West Bengal and Bihar.

(g) *Durgapur Thermal Power Station.*—A Thermal Power Station at Durgapur in West Bengal with an installed capacity of 150,000 KW with provision for ultimate capacity of 225,000 KW has been taken up for construction at an estimated cost of Rs. 14·8 crores. Specifications have been prepared and orders placed for most of the main equipment. Preliminary works like survey of project areas, pile driving in Turbine House area and pile driving in Boiler House is almost complete. The Station is scheduled to be completed before the end of 1959.

(h) *Transmission and Distribution System.*—Out of a total length of 823 miles of high tension Transmission lines, 640 route miles have been completed. 20 out of 30 sub-stations and receiving stations have been completed. 416 route miles of Transmission lines and 21 Sub-stations and receiving stations are already in commission for sending out power generated at Bokaro and Tilaiya Hydro Electric Station.

(i) *Power Development.*—The peak load recorded on D.V.C. Power System so far is 153·5 MW. The sale of power during October, 1957 was 72,618,535 KWH earning a revenue of Rs. 34,82,248. The D.V.C. Grid Sub-station at Howrah, designed to give the Calcutta Electric Supply Corporation, 100,000 KVA was opened on 9th June, 1957.

(j) *Other Development Activities.*—The Corporation has also undertaken certain developmental activities which include schemes on afforestation, soil conservation etc. Anti-erosion measures like small dams, reafforestation in the upper catchment of the Damodar and allied soil conservation measures are also in hand.

The project is estimated to cost Rs. 128·42 crores including Rs. 24·49 crores for new schemes included in the Second Five Year Plan. The expenditure up to the end of the First Plan was Rs. 86·57 crores. A provision of Rs. 37·29 crores has been included in the Second Five Year Plan for the Damodar Valley Project. The expenditure during 1956-57 was Rs. 14·09 crores. A provision of Rs. 15·89 crores has been made in the revised estimate for 1957-58 and Rs. 16·70 crores in the Budget for 1958-59.

BHAKRA NANGAL PROJECT

The Bhakra Nangal Project, the largest multipurpose project in India, consists of the following main component parts:—

(i) (a) Bhakra Dam, 740 ft. high,

(b) Two Power Houses at the foot of the Dam,

(c) Two 50 ft. dia. concrete lined diversion tunnels,

(ii) Nangal Dam, 90 ft. high,

(iii) Nangal Hydel Channel, 40 miles long,

(iv) Two power houses on the Nangal Hydel Channel at Ganguwal and Kotla,

(v) Bhakra Irrigation Canal and distribution system,

(vi) Remodelling of the Ruper Works and the Sirhind Canal,

(vii) Bist Doab Canals, and

(viii) Transmission System.

During the First Plan period the work on the diversion tunnels, the Nangal Dam, the Nangal Hydel Channel, the Bhakra Canals, the Nangal Power House at Ganguwal, Remodelling of Rupar and Sirhind Works and Bist Doab Canals was completed.

The Nangal Power House at Kotla was completed and put into commission in 1956. The concreting work on the Bhakra Dam was started in November, 1955.

It is expected that by the end of 1957-58 about 50 per cent of concreting work will be completed. According to the programme for 1958-59, a quantity of 12,39,000 cubic yards will be placed in the Dam, thus bringing the total concreting work to nearly 77·4 per cent of the entire quantity. The Civil works relating to the Power house on the left side of the Dam will be completed by the end of September, 1958.

For the Bhakra Nangal Project, a provision of Rs. 77·50 crores was made in the First Five Year Plan. A provision of Rs. 53·12 crores has been made for this project in the Second Five Year Plan.

Kharif irrigation was started in July, 1954. In 1956-57 an area of 15,08,291 acres was irrigated by the Bhakra Canal System in Punjab and Rajasthan. The canal system commands a gross area of about 6·67 million acres. Of this the Culturable Commanded Area will be 5·8 million acres. But actually 3·6 million acres will be under irrigation annually on full development. In addition, an area of 3·7 million acres will get increased water supply. It is anticipated that, on full development, there will be an additional out-turn of 0·85 million tons of wheat and other foodgrains, 0·59 million bales of cotton, 0·15 million tons of sugarcane and 0·03 million tons of pulses and oil seeds.

The Power Houses at Ganguwal and Kotla together have at present an installed capacity of 96,000 KW. It is proposed to instal an additional unit of 29,000 KW in each of these Power Houses. The Left Bank Power House at Bhakra will have 5 generating sets of 90,000 KW each. With the addition of these units and one unit each of 29,000 KW at Ganguwal and Kotla, there will be an installed capacity of 6,04,000 KW and firm capacity of 3,32,000 KW. Provision has also been made in the civil works of the main Dam for the installation of a Power House on the right bank of the Bhakra Dam. The construction of this Power House and installation of generating units therein will be undertaken on the basis of future load growth.

An expenditure of Rs. 113·66 crores was incurred upto the end of the First Five Year Plan. An expenditure of Rs. 12·03 crores was incurred during 1956-57. A total expenditure of Rs. 137·16 crores including liabilities awaiting adjustment but excluding interest charges was incurred upto the end of October, 1957. The expenditure expected to be incurred during 1957-58 is Rs. 17·49 crores.

A provision of Rs. 13·89 crores has been made in the revised estimate for 1957-58 and Rs. 16·25 crores in the Budget for 1958-59 for loans for financing the project.

HIRAKUD DAM PROJECT

The Hirakud Dam Project in the Orissa State, which involves the construction of the longest Dam in the world, consists of a concrete-*cum*-masonry-*cum*-earth Dam across the Mahanadi river 9 miles upstream of Sambalpur with two canals for irrigation and hydro-electric installations. The first stage of the Project, which was started in 1948, consists of a 3 mile long, 200 feet high composite dam of earth, masonry and concrete. There are two concrete Spillways with earth dams in their centre and on the left flank and a masonry Power Dam on the right end. Thirteen mile long dykes stretch across low valleys on both sides of the dam.

The Dam stores 6·60 million acre feet of water for irrigation and power. It also provides adequate flood control.

Two main canals take off from the reservoir—one on each side. The canal system with its branches and distributaries is over 500 miles in length. The Project is designed to irrigate 6·72 lakh acres in Sambalpur and Bolangir Districts.

The Power House has four units in the first instance with a total capacity of 1,23,000 KW. There is also provision for three more sets to be installed later. The Project has a net work of 500 miles of transmission lines to carry power to various consuming centres, particularly, the Steel Plant at Rourkela, the Aluminium Factory at Hirakud, mines at Barajamda, Joda and other places. The estimated cost of Stage I, exclusive of the Delta Scheme, is Rs. 70·78 crores.

The Government of India are executing the Project on behalf of the State Government. A Control Board with the Chief Minister of Orissa as Chairman, was set up in May, 1952 to be in over-all charge of the Project under the general supervision of the Government of India.

The main dam and dykes have been completed in all the reaches. In the Power House, out of 4 sets, 3 have been completed, of which two have been commissioned. The fourth set is expected to be completed shortly. Transmission lines to Hirakud Aluminium Factory, Jharsuguda, Rajgangpur, Rourkela, Joda, Talchar, Chowdwar and Bargarh, etc., have been completed. The lines to Rajgangpur and Rourkela have been charged since December, 1956 and Hirakud Power supplied to Rajgangpur Cement Factory, Rourkela and Mandira Dam site. Work on Canals has also recorded phenomenal progress. In all 681 masonry structures have neen completed and work is in progress on 205 structures. Irrigation water was let out from the 7th September 1956. To the end of November 1957, over one lakhs and forty-five thousand acres are getting irrigation supply.

This project is continuing from the first Plan, and the work is nearing completion. During the first Plan period an expenditure of Rs. 47·21 crores was incurred. The expenditure during 1956-57 amounted to Rs. 6·98 crores.

A provision of Rs. 7·75 crores has been made in the revised estimate for 1957-58 and Rs. 5·27 crores in the Budget for 1958-59.

KOSI PROJECT

The main features of the Kosi Project (Stage I) which is now estimated to cost Rs. 44·76 crores, are :—

(i) A barrage (along with 16 miles of afflux bund) three miles above Hanumannagar, in Nepalese territory.

(ii) Construction of flood embankments on either side of the river both upstream and downstream of the barrage, their total length being about 150 miles.

(iii) Eastern Kosi Central system which is expected to irrigate 13·97 lakh acres of land annually.

The project, which is being executed by the Government of Bihar was included in the First Five year Plan and work thereon started in January, 1955.

A lump provision of Rs. 30 crores was made in the First Five Year Plan for the five new multi-purpose projects, *viz.*, Kosi, Chambal, Rihand, Koyn

and Nagarjunasagar. A loan of Rs. 296 lakhs was given to the State Government during the First Plan period against which the expenditure during that period was Rs. 362·5 lakhs. The progress achieved during the First Plan period, was as follows :—

(i) *Barrage.*—Work on preliminary arrangements, namely construction of colonies, access road and railway track for transporting materials to the barrage site, was in progress and made considerable headway.

(ii) *Embankments.*—Work on 115 miles of the embankments (including afflux bund) was taken up and completed to partial sections. As a result, 15 lakh people of Kosi area in the districts of Darbhanga and Saharsa were protected against ravages of the Kosi, four-fifths of of the Saharsa district and one-half of the Kosi-affected area in the Darbhanga districts were protected against floods.

(iii) *Canals.*—Detailed investigations for the alignment of the Main Canal and Branch Canals were in progress.

The provision in the Second Five Year Plan for the Project is Rs. 26 crores. The loans given to the State Government during 1956-57 amounted to Rs. 408 lakhs; the loans upto the end of that year totalled Rs. 704 lakhs, against which the expenditure was Rs. 664 lakhs. A provision of Rs. 4·39 crores has been made in the revised estimate for 1957-58 and Rs. 3 crores in the Budget for 1958-59.

The progress made during 1956-57 and that expected during the current year is as follows :—

I. *Progress achieved up to the end of* 1956-57.

(i) *Barrage.*—Further headway was made for completing construction of colonies, access road, rail track etc. prerequisite for undertaking construction of barrage.

(ii) *Embankments.*—Work on the 115 miles of embankments was almost completed and additional reaches to the extent of 8 miles were taken up for execution and completed to partial sections. Larger work should not be undertaken due to public agitation to shift alignment.

(iii) *Canals.*—Detailed investigations for the alignment of canals made considerable progress.

II. *Progress expected to be achieved in* 1957-58.

(i) *Barrage.*—Construction of preliminaries will be completed and construction of undersluice portion of barrage and head works taken up.

(ii) *Embankments.*—Unfinished work on the embankments already taken up will be completed. Work on remaining 35 miles breach of the embankments will be taken up, out of which 20 miles are expected to be completed.

(iii) *Canals.*—10 miles of main Eastern Canal will be completed and remaining 16 miles taken up along with excavation of two branch canals.

RIHAND DAM PROJECT

The Rihand Project, which is being executed by the Government of Uttar Pradesh, is estimated to cost about Rs. 45.26 crores and consists of:—

(i) A concrete gravity dam across the Rihand near village Pipri in the Mirzapur district,

(ii) a power house designed to house 6 generating units of 50,000 K.W. each, and

(iii) the necessary transmission system.

Power will be utilised for pumping water from tubewells for irrigation and for the industrial advancement of the eastern districts of Uttar Pradesh. About 16 lakh acres of land in Uttar Pradesh and 5 lakh acres in Bihar will be irrigated annually. The preliminary work on the construction of the project was commenced in 1948.

A lump provision of Rs. 30 crores was made in the first Five Year Plan for five new multipurpose projects *viz* Rihand, Kosi, Chambal, Nagar-junasagar and Koyna. Under Operational Agreement No. 20 T.C.M. equipment worth $ 6,413,017 is being procured for the Project, the value of such equipment received being treated as a loan to the State Government. In addition, cash loans are being given to the State Government to cover other expenditure on the Project. Cash loans to the extent of Rs. 389 lakhs were given to the Uttar Pradesh Government in respect of this Project during 1954-55 and 1955-56 and the expenditure incurred by the State against these loans was Rs. 241 lakhs. As regards the progress achieved the preliminary arrangements were completed and actual excavation work for the foundation of the dam and river diversion work were commenced.

A provision of Rs. 26 crores has been made in the Second Five Year Plan. In 1956-57, loans to the extent of Rs. 250 lakhs were given to the State Government against which an expenditure of about Rs. 246 lakhs was incurred. A loan provision of Rs. 248 lakhs has been made in the revised estimate for 1957-58 and Rs.500 lakhs in the Budget for 1958-59 has been made.

The progress so far achieved and that expected to be achieved during the next year is as follows:—

(i) *Progress achieved upto end of* 1956-57.—3,000 KW Diesel Power Station at Pipri was completed. Work on 6,000 KW Thermal Power Station at Chopan was completed to the extent of 25 per cent on 132 KV. transmission lines and sub-stations to the extent of 15 per cent. on 66 KV transmission lines and sub-stations to the extent of 5 per cent. and on 33 KV and 11 KV transmission lines and sub-stations to the extent of 16 per cent.

(ii) *Progress expected to be achieved in* 1957-58.—6,000 KW Thermal Power Station at Chopan will be completed. Work on Rihand Dam Power Station at Pipri will be completed to the extent of 10 per cent.; on 132 KV transmission lines and sub-stations to the extent of 30 per cent.; on 66 KV transmission lines and sub-stations to the extent of 15 per cent. and on 33 KV & 11 KV transmission lines and sub-stations to the extent of 31 per cent.

(iii) *Progress expected to be achieved in* 1958-59.—Work on Rihand Power Station at Pipri will be completed to the extent of 45 per cent.; on 132 KV transmission lines and sub-stations to the extent of 60 per cent.; on 66 KV transmission lines and sub-stations to the extent of 50 per cent.; and on 33 KV and 11 KV transmission lines and sub-stations to the extent of 61 per cent.

CHAMBAL PROJECT

The Chambal Project (Stage I), which is being executed jointly by the Governments of Rajasthan and Madhya Pradesh consists of :—

(a) Gandhi Sagar Dam on the border of the Madhya Pradesh and Rajasthan States, 204 feet high and 1,685 feet long, with a storage of 6.85 million acre-feet;

(b) Power House at the Gandhi Sagar Dam, with five units of 23,000 KV each, four units being installed in the first stage, to generate 75,000 KWs of power;

(c) Transmission lines, 911 miles in length, to be laid in both the participating States;

(d) Kotah Barrage in Rajasthan; and

(e) Canal taking off from the Barrage on both sides of the river—162 miles in Rajasthan and 398 miles in Madhya Pradesh, to irrigate 11 lakh acres of land. The total revised expenditure is estimated at Rs. 63 crores.

A lump provision of Rs. 30 crores was made in the First Five Year Plan for the five new multi-purpose projects, *viz.*, Kosi, Chambal, Rihand, Koyna and Nagarjunasagar. During the First Five Year Plan period a loan of Rs. 344 lakhs was given to the State Government against which the expenditure during that period was Rs. 308 lakhs. In addition the value of the equipment obtained under the TCM Aid Programme is also being treated as a loan to the State Governments concerned. The progress achieved during the First Plan period was as follows :—

At the Gandhi Sagar Dam in Madhya Pradesh, 56·18 lakh c.ft. of stone masonry and concreting were laid against the total quantity of 256 lakh c.ft. involved. For the Gandhi Sagar Power House, 1.82 lakh c.ft. of masonry and concreting were completed out of a total of 6.50 lakh c.ft. On the Right Main Canal, 1,550 lakh c.ft. of earthwork out of a total 13,000 lakh c.ft. 78 lakh c.ft., of, rock-cutting out of a total 273 lakh c.ft. and 4.5 lakh c.ft. of masonry and concreting out of a total of 202 lakh c.ft. in Madhya Pradesh portion and 79·53 lakh c.ft. of rock-cutting out of total of 251 lakh c.ft., 26·76 lakh c.ft. of masonry and concreting out of a total of 163 lakhs c.ft. and 896·76 lakh c.ft. of earthwork out of a total of 6,100 lakh c.ft. in the Rajasthan portion were completed. On the Left Main Canal (entirely in Rajasthan) 58.46 lakh c.ft. of rock-cutting out of a total of 80 lakh c.ft., 6.32 lakh of stone masonry and concreting out of a total of 28 lakh c.ft., and 165·27 lakh c.ft. of earthwork out of a total of 1,100 lakh c.ft were completed. At the Kotah Barrage in Rajasthan, 27·25 lakh c.ft. of rock-cutting out of a total of 60 lakh c.ft., and 9·37 lakh c.ft. of stone masonry out of a total of 27 lakh c.ft. were laid.

The provision in the Second Five Year Plan for the project is Rs.34·35 crores. Loans given to the two State Governments concerned during 1956-57 were Rs. 338 lakhs, the total of the loans upto the end of 1956-57 being Rs.682 lakhs, against which the expenditure was Rs.825 lakhs. A provision of Rs. 640 lakhs has been made in the revised estimate for 1957-58, and Rs. 900 lakhs in the Budget for 1958-59. The progress achieved up to the end of 1956-57 and that expected to be achieved during 1957-58 and 1958-59 is given below:—

(i) *Progress achieved upto end of* 1956-57.—At the Gandhi Sagar Dam in Madhya Pradesh, 92·54 lakh c.ft. of masonry and concreting were laid. On the Gandhi Sagar Power House 1·82 lakh c.ft. of masonry and concreting were laid. On the Right Main Canal, 2,500

lakh c.ft. of earth-work, 127 lakh c.ft. of rock-cutting and 9 lakh c.ft. masonry and concreting in the Madhya Pradesh portion and 144·81 lakh c.ft. of the rock-cutting, 43·62 lakh c.ft of masonry and concreting and 2,098 lakh c.ft. of earth-work in the Rajasthan portion were completed. On the Left Main Canal (entirely in Rajasthan), 77·55 lakh c.ft. of rock-cutting, 13·90 lakh c.ft. of stone masonry and concreting and 570 lakh c.ft of earth-work were completed. At the Kotah Barrage in Rajasthan, 48·63 lakh c.ft. of rock-cutting, 47·63 lakh c.ft. of stone masonry and 18.54 lakh c.ft. of concreting were done.

(ii) *Progress expected to be achieved in* 1957-58.—At the Gandhi Sagar Dam in Madhya Pradesh, 60 lakh c.ft. of masonry and concreting will be laid. For the Gandhi Sagar Power House, 2·48 lakh c.ft. of excavation and 6·68 lakh c.ft of masonry and concreting will be done. On the Right Main Canal 1,680 lakh c.ft. of earth-work , 88 lakh c.ft. of rock-cutting, and 34 lakh c.ft of concreting and masonry in Madhya Pradesh portion and 52 lakh c.ft. of rock-cutting, 47 lakh c.ft. of masonry and concreting and 2,500 lakh c.ft. of earth-work in Rajasthan portion will be completed. On the Left Main Canal (entirely in Rajasthan), 12·45 lakh c.ft. of rock-cutting, 8 lakh c.ft. of stone masonry and contreting and 530 lakh c.ft. of earth-work will be com pleted. At the Kotah Barrage in Rajasthan 12·06 lakh c.ft. of rock cutting, 8·54 lakh c.ft. of stone masonry and 12·67 lakh c.ft. of concreting will be done.

(iii) *Progress expected to be achieved in* 1958-59.—At the Gandhi Sagar Dam in Madhya Pradesh, 67 lakh c.ft. of masonry and concreting will be completed. On the Right Main Canal 55 lakh c.ft. of rock-cutting, 59 lakh c.ft. of masonry and concreting and 1,500 lakh c.ft. in Rajasthan portion and 2,600 lakh,c.ft. of earth-work, 90 lakh c.ft. of rock-cutting and 46 lakh c.ft. of concreting and masonry on Madhya Pradesh portion will be completed. On the Left Main Canal (entirely in Rajasthan), 6 lakh c.ft. of masonry and concreting will be laid. At the Kotah Barrage in Rajashtan 7·25 lakh c.ft. of concreting will be laid.

NAGARJUNASAGAR PROJECT

The Nagarjunasagar Project, which is a scheme of the Andhra Pradesh Government, comprises the construction of a masonry Dam on the Krishna river near Nandikonda village and two Canals, one on each side of the river. Compared to the other river valley projects in India,the Nagarjunasagar Project will be a huge undertaking, having an ultimate storage capacity of 9·30 million acre feet and a total ultimate draw off by the canals of 36,000 cusecs, the highest for any reservoir in India. Only the first stage of the project, expected to cost Rs. 86·33 crores, has been taken up. The scope and main features of the project are given below:—

Dam.—The project envisages the construction of a masonry Dam, 290 feet high (spillway) above foundation level upto F.R.L. plus 520, with 5 feet falling shutters. The Dam will be of masonry gravity type, 3,900 feet, and will be flanked by composite and earthen bunds of 35 feet height. The non-spillway and power dam blocks will be raised to an elevation of plus 560. On the left side in the non-overflow section, the dam is provided with 3 Penstocks of 14 feet dia. to enable generation in the final stage of fir m and secondary power totalling 3 lakh K.W.

Canals.—The Right Bank Canal 135 miles long with a discharge capacity of 11,000 cusecs will irrigate an area of 9·70 lakh acres, while the Left Bank Canal, 108 miles long with a discharge capacity of 11,000 cusecs will irrigate an area of 7·9 lakh acres. Besides this, an additional 3 lakh acres in Krishna Delta will also be irrigated. The scheme is expected to yield a lakh tons of food grains.

The provision in the Second Five Year Plan for the project amounts to Rs.32·3 crores. The work on the project was started in December, 1955. Expenditure incurred during the 1st year of Second Plan period is Rs.4 crores and the expenditure during 1956-57 is Rs. 1·07 crores. A provision of Rs. 6·5 crores has been made in the Revised Estimates for 1957-58, Rs.7 crores in the Budget Estimates for 1958-59.

The work on the project is progressing according to the scheduled programme. Coffer Dam with a length of 3,000 feet and with a maximum height of 40 feet involving 1·8 million cubic feet of masonry has since been completed. The bridge across the Krishna river has been opened for traffic. The Railway line from Macherla to the Dam site for a length of 8 miles has been practically completed. Out of 1,185 residential buildings, 1,147 buildings have so far been completed. The construction of the Dam in Masonry was started in July 1957. The total quantity masonry and concrete involved is over 185 million cubic against which a quantity of 1·2 million cubic feet was done upto the end of October 1957. Excavation of both the canals is in progress. Block levelling of the entire ayacut of 30 lakh acres on the right bank canal, has been completed. On the left bank canal, however, 1,18,503 acres of the ayacut have been block levelled.

KOYNA PROJECT

The Koyna Hydro-Electric Project (Stage I) comprises the construction of a storage reservoir to be formed by a concrete-cum-masonry Dam across the Koyna river, an underground Power House capable of generating 2,40,000 K. W. of power at 60 per cent, load factor and the necessary transmission and distribution lines. The project was inaugurated in January, 1954.

On the civil side, the construction of builidings and roads for colonies is in progress. Excavation work is also in progress on the under ground works.

On the electrical side, the finalisation of contract agreements for transformers and generating stations is in progress. At the construction Power House, six diesel generating sets have been installed to supply power to the construction works at Koyna Nagar, Navja and Pophali. The erection of two more sets has been taken in hand.

The project is being executed by the Government of Bombay, and is estimated to cost Rs.38·28 crores. The provision in the Second Five Year Plan is Rs.27·55 crores. The expenditure incurred during 1956-57 amounted to Rs 2·46 crores.

A provision of Rs. 4·5 crores has been made in the revised estimate for 1957-58 and Rs. 7 crores in the Budget for 1958-59.

FLOOD CONTROL

In order to ensure that flood control measures are formulated and carried out expeditiously, a Central Flood Control Board has been constituted to consider the schemes proposed by the States at the highest level and to draw up a national flood control programme.

Flood Control Boards have been set up in twelve States. The Government of India have also set up four River Commissions to assist the Central Flood Control Board.

The Central Water and Power Commission, which assists in the secretarial work of the Central Flood Controls Board and the River Commissions, draws up integrated plans for flood control in the various river basins in the country, supplies, designs and tenders technical advice to the States, scrutinises estimates of projects prepared by the State Governments before submission to the River Commissions and secures co-ordination between the various Departments. For this purpose, a Flood Wing has been created in the Commission.

Financial assistance to the States is given by the Centre in the form of 30-year loans. During the First Plan period loans amounting to Rs. 855·97 lakhs were given to State Governments.

There is a provision of Rs. 60 crores for flood control for the Second Plan period. A provision of Rs. 10 crores has been made in the revised estimate for 1957-58 and Rs. 9 crores in the Budget for 1958-59.

The progress achieved to the end of 1st Plan and to the end of last financial year 1956-57 is as under:—

	Up to 1955-56	During 1956-57	Total up to 1956-57
1. Area from which inundation has been prevented	3000 sq. miles	2000 sq. miles	5000 sq. miles
2. Major town protected from erosion	10	10	20
3. Villages raised	1500	1700	320
4. Embankments constructed	850 miles	750 miles	1600 miles.

PROGRAMME OF PERMANENT IMPROVEMENT IN SCARCITY AREAS

Out of the total provision of Rs. 41·98 crores earmarked for the programme of permanent improvement of scarcity areas only Rs. 27·64 crores were utilised by the various States during the First Plan period. The programme has not been specifically included in the Second Plan, but the approved schemes under the programme have been classified as continuing schemes in the Second Plan, and are being financed from the balance of the provision. Against a target of 1·5 million acres of additional irrigation from the schemes included in the programme, an area of about 8·5 lakh acres was brought under irrigation during the First Plan period.

The loans sanctioned for the purpose during the first year of the Second Plan period *i.e.* 1956-57, amounted to Rs. 6·6 crores. A sum of Rs. 3·20 crores has been provided in the revised estimate for 1957-58 and Rs. 3·37 crores in the Budget for the year 1958-59.

EXPANSION OF POWER FACILITIES FOR INCREASING RURAL ELECTRIFICATION

Under this scheme the States are assisted with loans on special terms for extending power in growing towns and rural areas for increasing employment opportunities through development of industry. This assistance was to cover 214 schemes spread over most States costing in all Rs. 2,070·00 lakhs. Against this provision, loans amounting to Rs. 827·52 lakhs only were sanctioned to State

Governments during the first Five Year Plan. Loans amounting to Rs. 4·1 crores were sanctioned during 1956-57. A sum of Rs. 4·75 crores has been provided in the evised estimate for 1957-58 and Rs. 2·75 crores in the Budget for 1958-59.

Most of the works under the scheme are in various stages of progress and are expected to be completed during the current or the next year.

RURAL ELECTRIFICATION

Under the Technical Co-operation programme, the United States Government have agreed to make available equipment worth 2 million dollars consisting of steel joists, conductors and other equipment for rural electrification projects in the States of Madras, Andhra, Madhya Pradesh, Bihar, Punjab, Kerala and Mysore. Equipment worth Rs. 61 lakhs is expected to be received during 1957-58 and the remaining equipment worth Rs. 82 lakhs is expected to be received in 1958-59. The cost of this equipment will be treated as loan to the State Governments.

Similarly, equipment worth 3 million dollars is to be received under the Colombo Plan. Of this, equipment worth Rs. 55 lakhs is expected to be received during 1957-58 and remaining equipment worth Rs. 1·42 crores is expected to be received in 1958-59. This equipment is also being made available to the State Governments and the cost thereof will be treated as loan to them.

DELHI STATE ELECTRICITY BOARD

The total firm power available for distribution in Delhi after taking into account the supply from the Bhakra-Nangal system of 20 MW and the increase due to the inter-connection of the steam ranges and installation of the diesel plant aggregating 6 MW at the Rajghat station would be 70 MW. During the year 1958-59 the Chandrawal steam plant and the remaining 14 MW of diesel plant out of the 20 MW purchased by the Board will be commissioned. Thus by the end of 1958-59, the firm capacity of the Board's Plan would be 82 MW after allowing for stand-by capacity.

The Board has already planned for installation of 30 MW steam plant. This plant is being financed with aid from the International Co-operative Administration of the U.S.A. through the T.C.M. India. It is expected to be commissioned sometime in the middle of the year 1960. It is also expected that a further supply of 40 MW will be made available to Delhi on the commissioning of the left bank power house of the Bhakra Dam Project sometime in the year 1960-61.

A loan provision of Rs. 50 lakhs has been made in the Revised estimate for 1957-58 for financing the capital expenditure of the Board. For the same purpose a provision of Rs. 30 lakhs has been made in the Budget for the year 1958-59. The total capital expenditure to be incurred by the Board for augmentations of generation, transmission and distribution capacities of their system during the year 1958-59 is, however, expected to be approximately Rs. 112 lakhs.

RAJASTHAN CANAL PROJECT

The project envisages construction of Rajasthan Canal taking off from Harika Barrage for the utilisation of 7·209 million c.ft. out of Rajasthan's total share of 8 m. c.ft. available after the construction of storage reservoirs on Ravi and Beas rivers. The project is in two parts:—

(*a*) Head reach, 110 miles long which lies in Punjab territory (Rajasthan Feeder);

(*b*) the lower reach 315 miles long, which lies in Rajasthan territory (Rajasthan Canal).

The Rajasthan Feeder with a capacity of 18,500 cusecs is proposed to take off from the Harika Barrage across Sutlej river and is to be lined for its entire length except the first three miles, where the water table is very high. The capacity of the Rajasthan Canal at the Punjab border, that is, head of Rajasthan Canal has been kept at 16·045 cusecs and will be an unlined channel. The project is estimated to cost Rs. 96·75 crores including Rajasthan's share of the Harika Barrage, the Madhopur-Beas link and dams on the Ravi and Beas rivers. A provision of Rs. 22 crores has been made in the Second Five Year Plan. The project on completion is expected to irrigate an area of 26·2 lakh acres annually.

A provision of Rs. 40 lakhs has been made in the Revised estimate for 1957-58 and Rs. 2·65 crores in the Budget for 1958-59.

MINISTRY OF LABOUR AND EMPLOYMENT

TRAINING OF CRAFTSMEN

Under the scheme of training of craftsmen, tools and equipment are purchased and supplied to the Training Centres where technicians are trained at Government expense.

As a result of transfer of the administrative control of the Training Centres to the State Governments with effect from 1st November, 1956, the tools and equipment from that date onwards have to be purchased by the State Governments and 60 per cent. of cost thereof will be met by the Central Government as grant-in-aid to the States except in the case of Union Territories where the Central Government bear the entire cost of the scheme. A Central Training Institute for Instructors is also being maintained by the Central Government.

A provision of Rs. 9 lakhs has been made under Revised estimates, 1957-58 and Rs. 6 lakhs have been provided for in the Budget estimates, 1958-59.

LABOUR INSTITUTES

Under the agreements entered into with the United States Government equipment, books, etc. for the Central Labour Institute, Bombay and for the Regional Museums to be set up at Kanpur, Coimbatore and Calcutta are to be obtained from that Government under the T. C. A Programme. Incidental charges in respect of the equipment etc. only are to be borne by the Government of India. A provision of Rs. 4·80 lakhs has been made in the Budget for 1958-59 for the cost of equipment and incidental charges. The cost of equipment (Rs. 4 lakhs) will be met from the Special Development Fund.

In addition a provision of Rs. 15 lakhs for the construction of the Central Labour Institute building at Bombay and Rs. 15·5 lakhs for construction of buildings for the three Regional Museums has been made in the Budget for 1958-59.

MINISTRY OF STEEL, MINES AND FUEL

HINDUSTAN STEEL (PRIVATE) LTD.

ROURKELA STEEL PROJECT

Following an agreement between the Government of India and the German Combine of Krupps and Demag, a company under the style of Hindustan Steel Limited was promoted in December, 1953 with an authorised capital of Rs. 100 crores and an issued and paid up capital of Rs. 5 lakhs of which Rs. 4 lakhs were contributed by the Government of India and Rs. 1 lakh by the German Combine.

The German Combine will act as the technical consultants for the designing and erection of the integrated steel works at Rourkela and will also be in general charge of construction. According to the original agreement which related to the construction of a plant with a capacity of ½ million tons, the Technical Consultants were to receive a fixed fee of Deutsche Marks 18·9 million (Rs. 2·10 crores) in addition to actual expenses of their office in India subject to a ceiling of Rs. 70 lakhs. The Government of India later on decided to increase the capacity of the plant to 1 million tons and a supplementary agreement was signed with the German Combine to provide for this alteration. The supplementary agreement provides for an increase of Deutsche Marks 6·2 million (Rs. 70 lakhs) in the Technical Consultants' fee.

The final Project Report for the ½ million ton plant submitted by the Combine had to be substantially altered in accordance with the subsequent decision to increase the capacity of the plant to 1 million tons. The revised Final Project Report which recommends the adoption of a new process of steel making known as the 'L.D. Process' to the extent of 75 per cent. of the Plant's capacity has been accepted by the Government with certain modifications. This process is stated to have the advantages of lower capital and operating costs, higher rate of production and saving in space and auxiliary equipment. This process will also yield 4·42 lakh tons of nitro-limestone fertilizer as bye-product.

In order to make the company a wholly Government owned concern, it was decided to purchase the shares held by the German Combine. The agreement with the Combine has accordingly been modified.

Orders for the plant have already been placed with various German firms. Land has already been acquired and construction of township including office buildings is in progress. The first blast furnace at Rourkela is expected to go into production in December, 1958 and the entire Steel plant will be in operation by 1960.

Of the three steel projects—Rourkela, Bhilai and Durgapur—the Rourkela Project was under the management of a Company styled Hindustan Steel (Private), Limited while the other two projects were managed departmentally. The Bhilai and Durgapur projects have been transferred to the Hindustan Steel (Private) Limited from March, 1957.

A provision of Rs. 151·16 crores has been made in the Revised estimate for 1957-58 on account of the three steel projects. Out of this a sum of Rs. 38·51 crores has been provided for on Government account for expenditure on the Bhilai and Durgapur projects, pending the completion of formalities for the actual transfer of the projects to the company. The balance has been provided for the purchase of shares of the company for the expenditure to be incurred on the three steel projects.

In the budget for 1958-59, a sum of Rs. 157·89 crores has been provided for the purchase of shares of the company.

BHILAI STEEL PROJECT

In pursuance of the Government's objective to create a capacity of 6 million tons of steel ingots in the country by 1960, negotiations were conducted with a Russian team of steel experts for the setting up of a second steel plant in the public sector to produce 1 million tons of ingots. A preliminary agreement was signed between the Government of India and the Government of the USSR in February, 1955 for the setting up of a modern integrated iron and steel plant with an initial

capacity of 1 million tons of ingots to be rolled into about 750,000 tons of rolled products. Bhilai in Madhya Pradesh was selected as the site of this plant. The plant will be designed with a view to eventual expansion to a capacity of 1 million tons of rolled products. The salient features of the agreement are:—

(1) The entire plant is to be commissioned by December 31, 1959 but some of the main departments will be ready earlier.

(2) The plant and equipment to be supplied from the USSR are to be paid for in 12 annual instalments, the rate of interest on the amount outstanding each year being calculated at 2½ per cent. per annum. The payments will be made in Indian Rupees into a special account in the Reserve Bank of India. The amount thus credited to this account may be utilised for the purchase of goods in India and will be freely convertible into sterling.

(3) There is provision for association of Indian experience and talent at all stages of the planning, designing and execution of the project.

(4) There is provision for visits by Indian experts to the U.S.S.R. to examine plants of a similar nature in operation as well as factories manufacturing metallurgical equipment. A delegation of Indian Experts actually visited the U.S.S.R. in August, 1955.

(5) Provision has been made for the training of a sufficient number of Indian technicians both in India and the U.S.S.R. so that Indian personnel may man the plant to the maximum extent possible from the beginning.

(6) Soviet organisation will receive a sum of Rs. 2·5 crores for their services including the detailed Project Report. The cost of salaries, travelling and other allowances and expenses of the Soviet personnel for rendering the technical assistance and supervision in India will have to be paid in addition.

The Project Report submitted by the Soviet organisation was accepted with certain agreed modifications in March, 1956. The cost of the Plant is estimated at Rs. 131 crores.

The detailed project report for an one million ton steel plant submitted by the U.S.S.R. was accepted in March, 1956. Since then, working drawings, plant and equipment and stores have been arriving from the U.S.S.R. The main plant and equipment and structural steel work, worth Rs. 63·1 crores are being supplied on credit. 33 contracts have so far been concluded for other stores worth Rs. 16·16 crores. These will be supplied on ordinary commercial terms.

Practically the entire land required for the plant and township has been acquired. Temporary supplies of water and electric power have been provided. Project reports have been prepared for the iron ore mines and limestone quarries. Contracts have been concluded for the civil engineering work in the entire steel plant proper. Erection of structural steel work has been entrusted to three Indian firms. The work at site is progressing in accordance with the schedule Forty-eight ships carrying plants and other equipment and other stores from the U.S.S.R. have arrived making a total of 1,27,000 tons received from the U.S.S.R. Orders in India to the extent of Rs. 11·6 crores have been placed.

Nine hundred and sixty-four houses have been completed at Bhilai. About 4,000 more are under construction. About 23,246 acres of land out of 24,201 acres have been acquired.

DURGAPUR STEEL PROJECT

The contract for the establishment of an integrated Steel Plant with a capacity of 1 million tons of ingot was entered into with a consortium of British steel manufacturers and allied interests in October, 1956. The consortium is responsible for the erection of the Plant in its entirety. Works outside the perimeter of the plant, *i.e.*, township, water supply etc., will be the responsibility of the Government of India. The Steel Works, excluding the township, are estimated to cost Rs. 138 crores of which plant and equipment from U.K. will be about Rs. 85 crores.

Out of the total requirement of 6,001·95 acres of land for the Plant, 4,903·46 acres have been acquired and out of 9,260·08 acres required for the township 8,037·03 acres have been acquired. Work in all the three blast furnaces, coke, ovens, and other ancillary machineshops is progressing satisfactorily. The first Blast Furnace, with part of Ore handling and Blending plant, Gas cleaning plant and the first Coke Oven Battery will be ready by the end of October, 1959. About 450 houses are under construction in the township.

BOLANI ORES (PRIVATE) LIMITED

For the supply of Iron Ore to the Durgapur Steel Plant, a new company' Bolani Ores (Private) Ltd., has been formed in collaboration with M/s. Orissa Minerals Development Co. The Government of India's share in the Company is 50·5 per cent. of the total share capital. M/s. Bird & Co (Private). Ltd. have been appointed Secretary and Treasurer of the new company. At the initial stage the Company is to supply ore to Rourkela Steel Plant also. A provision of Rs. 10·10 lakhs has been made in the Revised estimates for 1957-58 for purchase of shares and Rs. 40·40 lakhs in the Budget for 1958-59.

BOKARO STEEL PLANT

It has been decided to undertake preliminary planning on the basis that the target for steel production in the third plan period is likely to be of the order of 15 million tons, *i.e.*, an increase of 9 million tons in the target in the Second Plan. To achieve the additional target of 9 million tons expansion of established units would take first priority. The capacity of the plants at Rourkela, Bhilai and Durgapur together can be expanded approximately by 4 million tons. Further expansion of the works in Jamshedpur and Burnpur would yield, at best, an additional one million tons. There will, therefore, have to be new steel plant with a total capacity of 4 million tons.

For the location of the third steel plant, the Bokaro area in Bihar had been considered very suitable. But Durgapur in West Bengal was selected in preference to Bokaro mainly because of the lack of communications to the site at Bokaro. The site has, however, many other advantages. The Consulting Engineers to the Department of Iron and Steel who carried out certain preliminary investigations, have recommended that the planning be based on the assumption that it would be economical to have a plant of 2·5 to 3 million tons capacity in Bokaro.

A weir across the Damodar river near Bokaro will be constructed at an estimated cost of Rs. 50 to 60 lakhs.

All preparatory work at site like drilling of test holes, general levelling, planning of a township, construction of main roads, accommodation for construction staff and buildings for offices, will be taken up soon. It is estimated that such work will involve an expenditure of Rs. 50 lakhs for which provision has been made in the Budget for 1958-59.

COAL WASHERIES

Various Expert Committees on coal, set up from time to time, have recommended that in view of the limited reserves of metallurgical coal in the country, all possible measures of conservation should be adopted. One of the measures recommended is the use of washed coal by the steel Industry.

It is estimated that by the end of 1959-60 the steel industry would need about 10 million tons of washed coal per year. Taking into account the capacity of the existing washeries in the private sector and that of the Government washery being set up at Kargali, a deficit of about 5·9 million tons per year is expected. As private collieries are reluctant to set up washeries, it has been decided to set up three State-owned washeries of 500 tons per hour capacity each, located at Dugda, Patherdih and Bhojudih. The cost of these three washeries is estimated at Rs. 750 lakhs.

Quotations for the setting up of the Dugda washery have been received. The layouts and specifications for the other two washeries are under preparation.

A provision of Rs. 50 lakhs has been made in the revised estimate for 1957-58 and Rs. 100 lakhs in the Budget for 1958-59.

EXPANSION SCHEME OF THE MYSORE IRON AND STEEL WORKS

The following schemes of the Mysore Iron & Steel Works are included in the Second Five Year Plan :—

	(Rupees in Lakhs)
(i) Spun pipe plant	15
(ii) Sintering plant	30
(iii) Ferro-silicon plant	130
(iv) Expansion of steel melting capacity (v) Extension of rolling mill capacity	500
(vi) Extension and modernisation of ancillary works to cater to the requirement of the production section of the works.	100
TOTAL	775

The spun pipe plant and the sintering plant are carried over from the First Five Year Plan.

Of the six schemes included in the Plan, the spun pipe plant is very near completion and is expected to go into operation shortly. Equipment and machinery for the sintering plant is ready to be shipped from Germany.

For the Ferro-silicon plant, the Mysore Iron & Steel Works have placed orders with M/s. Elektrokemisk, a Norwegian firm on a deferred payment basis.

For the expansion of steel melting capacity and extension of rolling mill capacity, negotiations are still under way between the Mysore Government and M/s. G. H. H. Voest for deferred payment terms.

For the extension of rolling mill capacity, details of the credit terms and of the agreement are being finalised.

The extension and modernisation of ancillary works consist largely of civil engineering work.

The Government of Mysore have accepted in principle that either a Corporation or a private limited company should be formed and are working out the details

The expansion scheme of the Mysore Iron and Steel Works, when completed will raise the production of steel from the present 30,000 tons to 85,000 tons per annum.

The Government of India will assist the new corporation by investing equity capital for financing the expansion schemes detailed above but the extent of such investment is still not definite. A small provision of Rs. 1 lakh has been made in the Budget for 1958-59.

IMPORT OF STEEL UNDER THE INDO-AMERICAN ECONOMIC AID PROGRAMME

One of the major obstacles in India's economic development is shortage of steel; against the annual estimated demand of about 4 million tons, the indigenous production being only about 1·34 million tons a year. In order to bridge partly this wide gap, the Government of India and the Government of U.S.A. entered into agreements for importing into India under the Indo-American Economic-Aid Programme, categories of steel particularly in short supply. Six such agreements have already been entered into for import of 4,88,305 tons of steel at the totat estimated cost of $64,296,222. The Government of India are committed under these agreements to contribute Rs. 298·91 lakhs representing customs duty, handling and clearing charges etc. to be incurred in importing and distributing steel in India.

Since the agreements were entered into in 1952, 4,52,674 tons of steel valued at Rs. 25,66,98,000 have arrived upto the end of March, 1957. Out of the above 77,148 tons valued at Rs. 4,48,54,000 pertain to 'Loan Assistance Programme and the balance pertains to 'Aid Programme'.

In regard to T.C.A. Steel under both 'Aid' and 'Loan' 'Assistance' Programme, 47,839 tons valued at Rs. 285·46 lakhs are expected to arrive during 1957-58 and 11,673 tons valued at Rs. 88·42 lakhs during 1958-59.

Provision of Rs. 8·77 crores has been made in the revised estimate for 1957-58 and Rs. 1·40 crores in the Budget for 1958-59.

The expenditure will be recouped partly by the sale proceeds of steel and partly from the Iron and Steel Equalisation Fund, the balance being met out of the Special Development Fund.

OIL INDIA PRIVATE LTD.

The Assam Oil Company, a wholly owned subsidiary of the Burmah Oil Company, were granted certain prospecting licences for petroleum in Assam subject *inter alia* to the condition that they will associate Indian capital to form a Rupee Company for production of crude oil from these areas.

Under the Agreement between the Government of India and M/s. Burmah Oil Co./Assam Oil Co., Government will subscribe equity capital in this joint venture, namely Oil India Private Ltd., to the extent of 33⅓% and the balance will be subscribed by the Burmah Oil Company/the Assam Oil Company or their nominees. It will be incorporated and registered in the State of Assam with an authorised capital of Rs. 50 crores divided into 5,00,000 shares of Rs. 1,000 each. The first issue of capital will be of Rs. 12 crores, ⅓rd of which will be subscribed by the Government of India. The Board of Directors of the Company wil

initially consist of six Directors, two to be appointed by the Government of India and four by the Burmah Oil Company. One of the Government's nominees will be designated as Special Director.

The new company will undertake production of oil and will also arrange for the construction in two stages and operation of a pipeline or such other related facilities as may be considered necessary for the transport of crude oil upto Barauni. Government will meet ⅓rd of the expenditure on laying the pipeline.

The oil produced by the new company will be sold to the two refineries sponsored by the Government of India and to be established in the public sector.

A provision of Rs. 10 lakhs has been made in the Budget for 1958-59.

INDO-STANVAC PETROLEUM PROJECT

This is a joint venture of the Government of India and the Standard Vacuum Oil Co. for the purpose of engaging in exploration for crude oil in West Bengal and other mutually agreed areas and, if exploration is successful, the production of crude oil.

The Government of India contribute 25% of the expenditure while the remaining 75% is contributed by Standard Vacuum Oil Co. Government have the option to discontinue participation after their contribution reaches 2·5 crores. After such discontinuance, Government have, however, the right to participate in the project again after paying the arrears of contribution together with interest. So far, the Government of India have made the following payments :—

	Rs.
1954-55	7,65,375
1955-56	29,84,461
1956-57	30,36,000
1957-58	40,93,000
	1,08,78,836

A provision of Rs. 50·87 lakhs has been made in revised estimates for 1957-58 and Rs. 51·54 lakhs in the Budget Estimates, 1958-59 for expenditure on the scheme.

The Company has dug two test wells, one at Burdwan and the other at Galsi; but so far no oil has been found. The next exploratory drilling will be at Jalangi.

The programme for the next year will consist of the continued operation of one drilling rig and acceleration of seismic work with the addition of a second party which will be provided with helicopter transportation. By this means, it is planned :—

(*i*) to develop a sufficient number of prospects to assure sustained operation of the drilling rig ; and

(*ii*) to obtain a better geographic distribution of prospects throughout the block.

OIL AND NATURAL GAS COMMISSION

The work of oil exploration under the public sector was taken up during 1955-56 by the Oil and Natural Gas Commission. The expenditure during the First Five Year Plan was insignificant and amounted only to Rs. 75,187.

In the Second Five Year Plan, a sum of Rs. 11·5 crores was allocated for this purpose. Later, a revised scheme, which envisaged an expenditure of Rs. 30·54 crores during the five year period, based on the recommendation of the Soviet Oil experts was drawn up. Owing to unavoidable difficulties, in procurement of equipment, particularly deep drilling rigs and in recruitment of personnel and construction of roads etc., the programme for the first two years was modified so as to reduce the financial outlay to Rs. 871·67 lakhs.

An expenditure of about Rs. 3½ crores has been incurred during the first two years. A provision of Rs. 3·79 crores has been made in the Budget for 1958-59.

During 1956-57, the Oil and Natural Gas Commission carried out the geological mapping of 924 sq. miles in Punjab, Rajasthan and Cambay-Kutch. During 1957-58, the Commission expect to complete the geological mapping of an additional 2,450 sq. miles in Punjab, Rajasthan, Ganga Valley, Cambay-Kutch and South India. Gravity-*cum*-magnetic survey of 4,471 sq. miles was completed in 1956-57 and the target for the current year is 15,000 stations. Seismic survey of 230 line miles was completed in 1956-57 and the target during the current year is 1,700 line miles. Deep drilling at Jawalamukhi was undertaken during 1957-58 and will be continued.

During 1958-59, the Commission propose to complete the geological mapping covering 3,776 sq. miles in Punjab, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Bombay, Uttar Pradesh and Orissa. The target of geological work for the year is to cover 16,000 stations by gravity-*cum*-magnetic survey and 2,150 line miles by seismic survey. It is proposed to undertake drilling work with 4 deep drilling rigs and 4 structural drilling rigs in different parts of the country to complete 6 deep wells and 12 structural holes with a footage of 50,000 and 48,000 respectively.

INDIAN BUREAU OF MINES

A target of production of an additional 12 million tons of coal by the public sector by 1961 has been laid down in the Second Five Year Plan. The Indian Bureau of Mines has been entrusted with the detailed exploration and drilling in various coal fields necessary to prove reserves of about 800 million tons during the Five Year Plan period. The original scheme envisaged an expenditure of Rs. 481·69 lakhs. On the basis of the experience gained by actual working, a revised scheme involving a reduced expenditure of Rs. 398·45 lakhs has been prepared. A provision of Rs. 62·40 lakhs has been made in the budget for 1958-59 and this includes provision for staff equipment and operational charges.

INTEGRATED NEYVELI LIGNITE PROJECT

The project has been accorded a high degree of priority in the Second Plan and it has been included in the core of the Plan.

The project envisages the mining of 3·5 million tons of lignite per annum at an estimated cost of Rs. 16·9 crores to be utilised on the other components of the Project, *viz.*,

(*a*) production of 2,50,000 KW of power in a thermal Power Station using lignite as fuel ;

(*b*) manufacture of fertilizers in the form of urea with a fixed nitrogen content of 70,000 tons per annum ; and

(*c*) production of 7,14,000 tons of raw lignite briquettes to be processed in a low temperature carbonisation plant to yield 3,80,000 tons of carbonised briquettes.

The Project as a whole is estimated to cost Rs. 68·9 crores and has been allocated a provision of Rs. 52 crores in the Second Five Year Plan. It has been estimated that 27 million cubic yards of earth will have to be removed over the first mine cut area before the lignite is exposed for mining. Earthmoving operations were commenced in May, 1957. Upto the end of November, 1957 about 1·6 million cubic yards of earth have been removed. According to present indications reasonable quantities of lignite will be mined only by the end of 1960 and the target output of 3·5 million tons per annum will be achieved by the end of March, 1961.

Among the constituent schemes, the Thermal Power Project will consume about 1·5 million tons per annum of lignite. This is one of the five projects to be covered by the 500 million rouble Russian credit, agreement with regard to which was concluded in November, 1957. A subsidiary contract for the preparation of the detailed project report for the Power Station has also been concluded with the Soviet Organisation M/s. Technoexport, Moscow.

The detailed project report as well as the specifications for the proposed Urea Plant have also been completed and the Government have given their approval to the establishment at Neyveli of a ferlilizer plant for the production of 1,52,000 tons per annum of urea containing 70,000 tons of fixd nitrogen at an estimated cost of Rs. 21 crores subject to adequate credit facilities being available with regard to the foreign exchange component of the cost.

Plans for the Briquetting and Carbonising Plant will be drawn up only after large scale tests on the lignite have been successfully completed with help of the Pilot Briquetting Plant, which has been received as part of the Technical Cooperation Mission aid and is at present being set up at the site. Blueprints of the township which is proposed to be constructed in the mining area are under preparation.

The management of the project has been entrusted to the Neyveli Lignite Corporation (Private) Limited wholly owned by the Central Government which started to function with effect from the 6th December, 1956. A provision of Rs. 4 crores has been made in the revised estimates for 1957-58 and Rs. 7 crores in the budget estimates, 1958-59 for the project. During 1958-59, construction of buildings worth Rs. 1 crore is proposed to be undertaken.

NATIONAL COAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED

The output of coal during 1955 was 38 million tons, out of which 4·5 million tons was raised in the public sector. The target of coal production by the end of the Second Plan is fixed at 60 million tons per annum. Out of the increase of 22 million tons envisaged during the Second Plan, the target of additional coal production in the public sector is 12 million tons.

In September, 1956, a Corporation, called the National Coal Development Corporation (Private) Ltd., was formed for the purpose of administering the existing State Collieries, 11 in number, and those to be established in future in the public sector and to give the coal projects the autonomy and organisation necessary for their expeditious execution.

The production programme in the public sector was reviewed by the Co-ordination Committee at its meeting held on the 8th June, 1957 and a firm programme for the production of additional 8·01 million tons was approved. Fieldwise estimates of capital cost, foreign exchange and production are as under:—

Field	Capital Cost (In Rupees Lakhs)	Foreign Exchange included in capital cost	Production (In million tons)
1. Korba (Open cast)	261·88	223	1·00
2. Korba Inclines	210·00		0·60
3. Kathara	259·00	143	1·00
4. Gidi (Karanpura)	334·00	160	1·50
5. Saunda and Bachra	262·04	73	0·60
6. Korea	349·00	140	1·00
7. Existing Collieries	431·00	343	2·31
TOTAL	2106.92	1082	8·01
1% increase in price and 9% increase due to interest on foreign exchange	308·57	..	..
	2415·49		

In addition to the above programme, the development of Bishrampur coalfield at a capital cost of Rs. 6·87 crores (Rs. 3 crores in foreign exchange) from which a production of 2 million tons per annum is expected by 1960-61 has been approved.

An additional production of 2·5 million tons is contemplated from Korba coalfield at a total estimated cost of Rs. 12·92 crores with the assistance of the Russian offer of 500 million roubles. The foreign exchange component is Rs. 8 crores.

Funds are also required for boring and prospecting (Rs. 12 lakhs approx.), industrial schools for training technical personnel (Rs. 35 lakhs approx.), construction of residential buildings for staff at Ranchi (Rs. 30 lakhs approx.) etc.

The total capital cost of the coal project in the public sector during the Second Five Year Plan is estimated at Rs. 45 crores, including a foreign exchange component of Rs. 22 crores. As against the capital cost of 45 crores, there is a provision of Rs. 40 crores in the Second Five Year Plan.

The provision of Rs. 5 crores has been made in the Budget for 1958-59 for grant of loans to the Corporation. The Government of India had invested Rs. 698·50 lakhs upto 1950-51 and Rs. 22·28 lakhs during the First Plan period.

PURCHASE OF SHARES IN SINGARENI COLLIERIES COMPANY LIMITED

The Singareni Collieries in Andhra Pradesh constitute a vital source of supply of coal to the Railways and important industries in the south. In the First Plan period the Company used to produce about 1½ million tons of coal a year. The Andhra Pradesh Government have prepared an expansion programme to increase

the production of coal in the collieries under the Second Five Year Plan to achieve targets of production in two phases :—

(i) 2 million tons per annum by 1957-58 ; and

(ii) 3 million tons per annum by 1961-62.

The Andhra Pradesh Government have taken all steps to achieve the target of 2 million tons by 1957-58. The expansion scheme of the Singareni Collieries has been included in the development of the public sector.

The major portion of the capital of the Singareni Collieries has been invested at present by the Andhra Pradesh Government. It is proposed that the Central Government should have a majority holding of about two-third in the share capital of the Company and proportionate representation on the Board of Directors. The matter is at present under negotiation with the State Government. After an agreed decision has been arrived at, shares to the extent necessary will be purchased by the Central Government. A provision of Rs. 30 lakhs has been made in Budget Estimates 1958-59.

MINISTRY OF TRANSPORT AND COMMUNICATIONS

EASTERN SHIPPING CORPORATION

This Corporation was set up in March, 1950 with an authorised capital of Rs. 10 crores in partnership with the Scindia Steam Navigation Company Ltd., Bombay, who were appointed as its Managing Agents. Consequent on coming into force of the Indian Companies Act, 1956, the Company gave up the Managing Agency and the Government appointed their own Managing Director, who is also the Chairman of the Board of Directors. The share Capital of Rs. 143 lakhs subscribed by the Scindia Steam Navigation Company was paid back to them.

The Government investment in the Corporation upto 1950-51 was Rs. 148 lakhs and Rs. 259 lakhs were further invested during the First Plan period.

The audited accounts for the year ended 31st March, 1957 show a profit of Rs. 25·13 lakhs as against a profit of Rs. 32·11 lakhs made during 1955-56.

The Corporation has a fleet of 8 ships mainly in the South East and Far East areas. Orders for building two ships of 9,500 D.W.T. each have been placed with the Hindustan Shipyard, which are expected to be ready by the end of Second Plan period. A provision of Rs. 52 lakhs has been made in the Budget for 1958-59 for making part payment to the Shipyard.

WESTERN SHIPPING CORPORATION

This Corporation was set up in June, 1956 with an authorised capital of Rs. 10 crores as a wholly Government owned concern to promote the growth of national shipping. The Corporation was intended to operate initially in the India/Poland, India/Persian Gulf trades and eventually in the India/Red Sea and the India/Soviet services. The Corporation has not yet been able to enter any of the trade routes allotted to it for want of the requisite tonnage of shipping. Orders have been placed for four ships, two in West Germany, one in Italy and one in Yugoslavia, which are now under construction for delivery during 1959-60. In addition the Hindustan Shipyard, Visakhapatnam, are also building one vessel for the Corporation. In addition, to one tanker operating on the coastal trade, there are proposals for acquiring another tanker and acquisition of more tonnage. A provision of Rs. 250 lakhs has been made in the Budget of 1958-59 for the Corpora-

LIGHTHOUSES AND LIGHTSHIPS

A scheme costing about Rs. 4 crores for improvement of navigational aids along the coast of India has been drawn up for implementation during the Second Plan period. The scheme aims at making navigation around the coast of India safe and less hazardous. A similar scheme costing Rs. 2 crores had been sanctioned for the first Plan period. 35 lighthouses and other aids to navigation were constructed or improved during the first Plan period at an expenditure of Rs. 45 lakhs.

Thirteen new lighthouses were constructed and 23 buoys set up by the end of 1956-57 and an expenditure of about Rs. 23 lakhs was incurred.

During 1957-58 new lights have been established at four lightstations and work on the construction and improvement of 17 lighthouses is in progress. The construction of 20 lightbuoys for Kandla Port has been completed and the equipment for V.H.F. Station to be established in that Port has been received. Two sets of radio beacon ecquipment and three radar sets have also been received. An expenditure of Rs. 60 lakhs is likely to be incurred during the financial year 1957-58.

A provision of Rs. 91 lakhs has been made in the Budget Estimates 1958-59. The programme for the year 1958-59 envisages the establishment of or commencement of work on about 50 new lighthouses, 5 fog signals, 9 M.F. radio stations, 8 Decca Chain Stations, 4 radars, 4 lightbuoys and 2 unlighted buoys and acquisition of 5 lighthouse tenders.

DEVELOPMENT OF MAJOR PORTS

For the rehabilitation, modernisation and expansion of facilities at major ports, it has been decided, in consultation with the Planning Commission to make available to the authorities of the major ports of Bombay, Calcutta, Madras, Cochin, Visakhapatnam and Kandla a sum of Rs. 43·5 crores by way of financial assistance in the Second Five Year Plan period. Out of this Rs. 14 crores are earmarked for the development of Kandla and Rs. 3·5 crores for development of Visakhapatnam to be incurred as direct central expenditure. The balance is proposed to be given as loans to the ports of Calcutta, Bombay, Madras and Cochin on concessional terms. Provision of Rs. 4·40 crores in the revised estimates for 1957-58 and Rs. 5·00 crores in the Budget Estimates for 1958-59 has been made for loans to the ports Trust of Calcutta, Bombay, Madras, and Cochin Port. A sum of Rs. 104 lakhs in the revised estimate for 1957-58 and Rs. 95 lakhs in the Budget Estimates for 1958-59 has been provided for meeting capital expenditure on Visakhapatnam Port. Similarly sums of Rs. 265 lakhs and Rs. 245 lakhs have been included in the revised and budget estimates for 1957-58 and 1958-59 respectively for meeting the direct expenditure on Kandla Port.

DEVELOPMENT OF MINOR PORTS

There are a number of minor ports of varying sizes on the long coast line of India. In the interest of the transport economy of the country it has been considered essential to have a few well developed minor ports suitably placed geographically and well maintained. In pursuance of the recommendations of the National Harbour Board it was pruposed to extend Central assistance for the development of certain selected ports during the Second Five Year Plan period by the grant of loans to State Governments. Provisions for such assistance are being made each year in the Budget Estimates. The provision of Rs. 50 lakhs in the Revised Estimates for 1957-58 and Rs. 50 lakhs for 1958-59 are intended for the grant of such loans to the various maritime States.

SHIPS FOR COASTAL AND OVERSEAS TRADE

The Shipping Policy Committee recommended in 1947 that Indian tonnage should reach a target of 2 million tons 'in the next 5 to 7 years'. The Government of India had in their resolution on the Committee's report declared it to be their objective to render all possible assistance to the Indian shipping industry to make as rapid an expansion as possible to attain the target set by the Committee. With this end in view, assistance had been given since 1947 by Government to Indian Shipping Companies in various forms.

It was found that the shipping companies could not secure a rapid expansion of their fleet on their own because of limited resources. The Government of India, therefore, early in 1951, devised a scheme for loan assistance to the shipping companies on reasonable terms to enable them to acquire ships for coastal and overseas trade. The First Plan accordingly contemplated a net addition of 2·15 lakhs tons to raise the Indian tonnage to 6 lakhs tons by 1955-56 on a financial outlay of Rs. 19·45 crores, which was later increased to Rs. 26 crores. Expenditure of the whole of this amount was sanctioned during the First Plan. The total tonnage at the end of the Plan stood at 480,000 but another 120,000 tons of shipping were under construction in Indian and foreign yards. Practically all these ships have since been delivered or are about to be delivered and the Indian tonnage is expected to reach 600,000 very soon.

This scheme of loan assistance to the Indian shipping industry has been continued in the Second Five Year Plan, which envisages a net addition of 300,000 to raise the Indian tonnage to 900,000 by the end of 1960-61. A sum of Rs. 37 crores (exclusive of a carry over of Rs. 8 crores from the First Five Year Plan) has been provided in the Second Plan for this purpose. Of this amount, Rs. 17 crores have been earmarked for grant of loans to private shipping companies. Even during the first year of the Second Plan, firm commitments for practically the whole of this provision have been entered into by ordering construction of vessels in Indian and foreign yards and by purchase of second hand vessels. Out of the above provision a sum of Rs. 553·40 lakhs has been spent during the first year of the Second Plan. The provision of Rs. 686 lakhs in the Budget for 1958-59 (Rs. 20 lakhs for coastal and Rs. 666 lakhs for overseas trade) include Rs. 480 lakhs for firm commitments already entered into, and Rs. 206 lakhs for fresh commitments.

HINDUSTAN SHIPYARD (PRIVATE) LTD.

The total issued capital of the Hindustan Shipyard (Private) Ltd., stands at Rs. 476·25 lakhs out of which the Government of India holds shares valued at Rs. 372 lakhs, representing about 78 per cent of the shares. The remaining shares valued at Rs. 104·25 lakhs are held by the Scindia Steam Navigation Co. Ltd. A provision of Rs. 30 lakhs made in the Budget Estimates for 1957-58 has been retained in the Revised Estimates for the year, for development of the shipyard. A provision of Rs. 52·06 lakhs has been made in the Budget Estimates for 1958-59 for further development of the shipyard.

The question of setting up a second shipyard in the country is under consideration. As the required technical staff to man the new shipyard is not available readily, a Training School for training the necessary technical personnel has been started at the Hindustan Shipyard, Visakhapatnam. A provision of Rs. 2 lakhs has been made in the Budget Estimates for 1958-59 for the Training Scheme and also some preliminary expenses in connection with this scheme.

Pursuant to the decision of the Government to subsidise the ship-building industry, ships built in the Hindustan Shipyard are sold to the Indian Shipowners at the U. K. Parity-prices—the difference in cost price and sale price being made

good by Government as subsidy. A proviision of Rs. 5 crores has been made for payment of subsidy to the Shipyard during the Second Plan period. In the Budget Estimates for 1958-59 a provision of Rs. 90 lakhs has been made for payment of subsidy.

During 1957-58 the Shipyard delivered two vessels—one cargo-*cum*-passenger vessel " Andamans " of 5658 tons and one cargo vessel "S.S. State of Orissa" of 5169 tons. S.S. "Adyar"—a steam tug built for the Madras Port Trust has also been delivered.

Two ships of 4584 tons *viz.*, M.V. " Jaiaveera " and M. V. "Jalavikram" have been launched and keels of 4 ships have been laid.

The development programme of the Shipyard (1st phase) which was expected to be completed by the end of 1957 is now likely to be completed by the end of the first quarter of 1958-59. The delay is due to the difficulties experienced in the procurement of steel, cement, etc. When the first phase of development is completed, the present capacity of the shipyard of two ships per year will be doubled. Besides, the Government has also approved a part of the 2nd phase of development of the yard at an estimated cost of Rs. 56·17 lakhs.

The Hindustan Shipyard completed its fifth year of working on the 31st March 1957. The accounts for the year 1956-57 revealed a net loss of Rs. 3,69,081/- after providing a sum of Rs. 16,21,038/- for normal depreciation and also a sum of Rs. 3,30,814/- for obsolescence of materials. The loss sustained during the year is mainly attributable to the loss incurred on the assets which had to be either discarded or dismantled consequent on the implementation of the Development Programme as well as the provision made for obsolescence of materials lying in stock over a long period.

AIR-INDIA INTERNATIONAL CORPORATION

The Corporation has no share capital under the Air Corporations Act, 1953 the capital required for purchase of aircraft and other capital items being granted by the Central Government as and when necessary. A total investment of Rs. 750·24 lakhs was made during the first Five Year Plan period.

The Corporation has been making steady progress and is equipping itself with new and better types of aircrafts in order to improve the standard of service The Corporation has placed orders for three Boeing 707 Jet aircraft. It has been able to secure a loan of £ 16·8 million from the World Bank and five U.S. Commercial Banks to meet the dollar requirements for the Boeing project, the total cost of which is estimated at about 11·50 crores. Since the Corporation was able to secure the above loan, it has refunded to Government a sum of Rs. 18·86 lakhs out of the sum of Rs. 25·50 lakhs drawn by it from Government for their Being project during the year 1956-57. Further out of the original budget provision for 1957-58 of Rs. 120 lakhs and for the Boeing project which had been made before the dollar loans were finalised, the Corporation will require only a sum of Rs. 36·40 lakhs during 1957-58 to meet the Sterling cost of the project. The Corporation originally expected that it would be able to raise loans to meet the Sterling requirements of the project. Due to the high rate of interest and financing charges quoted by the U. K. financiers, no progress has been made in regard to the Sterling loan. A further provision of Rs. 50 lakhs has been made in the Budget Estimates for 1958-59 for this purpose.

In the Second Five Year Plan a provision of Rs. 1,450 lakhs has been made for the Capital expenditure of Air-India International Corporation, as detailed below:—

(a) Redemption of Compensation Bonds	Rs. 249 lakhs
(b) Redemption of Debentures	Rs. 9 lakhs
(c) Purchase of aircraft	Rs. 1000 lakhs.
(d) Workshop expansion	Rs. 195 lakhs
TOTAL.	Rs. 1453 lakhs say Rs. 1450 lakhs.

The Corporation has been granted a sum of Rs. 9·04 lakhs during the year 1957-58 for redemption of debentures. Normally the Corporation would have needed this amount during 1958-59 but as the provision of the loan agreement with U. S. Commercial Banks clearly required that the assets of the Corporation should be free of all encumbrances, there was no alternative for the Corporation but to redeem the debentures.

Against the Plan provision of Rs. 249 lakhs for the redemption of compensation bonds, the actual requirement of the Corporation during 1958-59 for the redemption of the bonds will be Rs. 254 lakhs. The Budget provision of Rs. 334 lakhs for 1958-59 includes this sum of Rs. 254 lakhs. Against the Plan provision of Rs. 195 lakhs for workshops expansion, the Corporation was advanced Rs. 25 lakhs during 1956-57 and will be granted Rs. 35 lakhs during 1957-58. A provision of Rs. 30 lakhs has been made in the Budget Estimates for 1958-59 under this item.

INDIAN AIRLINES CORPORATION

The Corporation has no share capital. Under the Air Corporation Act, 1953 the capital required for purchase of aircraft and other capital items is granted by the Central Government as and when necessary. A total amount of Rs. 760·33 lakhs was invested during the 1st Plan period.

Five of the 10 Viscount Aircraft ordered by the Corporation have already arrived and have been placed in service on important trunk routes. The delivery of the remaining Viscount aircraft is expected to be completed by May 1958. In the Second Five Year Plan, a provision of Rs. 1,600 lakhs has been made for the Indian Airlines Corporation, the details of which are indicated below :—

	(Rs. in lakhs).
(a) Purchase of aircraft	534
(b) Miscellaneous items of capital expenditure like Dakota Modification, Surface Transport, etc.	51
(c) Building	50
(d) Redemption of Compensation bonds	265
(e) Cash losses	700
TOTAL	1600

Against the Plan provision of Rs. 534 lakhs for purchase of aircraft, the Corporation was granted a sum of Rs. 178·91 lakhs during 1956-57 and will require Rs. 461·47 lakhs more during the year 1957-58. Thus the cost of the project for the purchase of aircraft will exceed the plan provision by Rs. 106·38 lakhs which will be adjusted against the anticipated saving in the provision of Rs. 700 lakhs made

in the Second Five Year Plan for meeting the cash losses of the Corporation. The sale proceeds of any aircraft sold by the Corporation will also be adjusted against this excess expenditure.

The Corporation will require a sum of Rs. 1·54 lakhs during the year 1957-58 for some minor building programme and a provision of Rs. 9·15 lakhs has been made in the budget estimates for 1958-59.

Against the Plan provision of Rs. 51·00 lakhs for miscellaneous capital expenditure, the Corporation advanced a sum of Rs. 40·30 lakhs during the year 1956-57. It will require Rs. 62·18 lakhs during 1957-58 and Rs. 47·44 lakhs during 1958-59. Thus by the end of the year 1958-59, the excess over the Plan provision under this item will come to Rs. 98·92 lakhs which will also be met from the saving in the provision for cash losses.

Against the Plan provision of Rs. 265 lakhs the Corporation will require a sum of Rs. 262·31 lakhs for the redemption of the Indian Airlines Corporation 3½ per cent. Bonds and an additional amount of Rs. 3·90 lakhs for payment to Messrs. Airways (India) Ltd., the amounts with held at the time of determining compensation. The excess over the Plan provision thus comes to Rs. 1·21 lakhs. This is an inescapable item of expenditure and funds will have to be provided by Government. A total provision of Rs. 266·21 lakhs has, therefore, been made in budget for 1958-59.

A provision of Rs. 700 lakhs has been made in the Second Plan for meeting the cash losses and working expenses of the Corporation. On the basis of the latest estimates made by the Corporation the requirements are not likely to exceed about Rs. 450 lakhs provided no unforeseen circumstances intervene in the remaining Second Plan period.

A sum of Rs. 100 lakhs was sanctioned to the Corporation during the year 1956-57 and it will require a sum of Rs. 84 lakhs during the year 1957-58. A further provision of Rs. 48 lakhs has been made in the budget for 1958-59.

HIMACHAL PRADESH ROAD TRANSPORT SCHEME

Himachal Pradesh is an under-developed area. Most of the territory is not covered by Railways. Road transport is, therefore, the main means of speedy communication in that part of the country. The Himachal Pradesh Administration started nationalisation of road transport services in 1949. At present almost the whole of the passenger and goods services have been nationalised.

Under the First Five Year Plan an expenditure of Rs. 39·85 lakhs was incurred and the organisation had a fleet of 221 vehicles at the end of the first plan. In the Second Five Year Plan there is a provision of Rs. 55 lakhs. It is anticipated that 131 new vehicles will be added to the fleet during the period of the Second Plan.

During the first year (1956-57) of the Second Plan an expenditure of Rs. 7·79 lakhs was incurred. No vehicle was purchased in that year. For the Second Year (1957-58) of the Plan, an expenditure of Rs. 8·5 lakhs is likely to be incurred which will enable the Administration *inter alia* to add 25 new vehicles to the fleet. For the next year (1958-59) also 25 vehicles are proposed to be added. A provision of Rs. 8·50 lakhs has been made in the revised estimates for 1957-58 and Rs. 10·50 lakhs in the Budget Estimates for 1958-59.

MANIPUR ROAD TRANSPORT SCHEME

Under the First Five Year Plan an expenditure of Rs. 6·35 lakhs was incurred as against the provision of Rs. 10·5 lakhs. The organisation had a fleet of 56 vehicles at the end of the First Five Year Plan. In the Second Five Year Plan,

there is a provision of Rs. 19 lakhs. 30 buses, 25 trucks, and 1 jeep are likely to be added to the fleet during the period of the Second Plan. In the First Year (1956-57) of this Plan an expenditure of Rs. 3·14 lakhs was incurred. No vehicle could be purchased during that year. In the second year (1957-58) of the Second Plan, an expenditure of Rs. 4·5 lakhs is proposed to be incurred on the purchase of 17 trucks and 1 jeep. In the Third Year (1958-59) 10 buses and 4 trucks are proposed to be added to the fleet. A provision of Rs. 4·50 lakhs each has been made in the revised estimates for 1957-58 and Budget Estimates for 1958-59.

CONSTRUCTION AND DEVELOPMENT OF NATIONAL HIGHWAYS

Under the National Highways Act 1956, the highways which were provisionally accepted by the Central Government as suitable for inclusion in the system of National Highways generally with effect from 1st April, 1947, were declared as National Highways. The total mileage of roads declared as statutory National Highways aggregate 13,800.

The expenditure ceiling for the construction and development of National Highways during the First Five Year Plan was Rs. 27·80 crores and the whole of this amount had been utilised.

The Planning Commission have approved of an expenditure of Rs. 55 crores for the construction and development of National Highways during the Second Five Year Plan. The programme approved against this provision is estimated to cost Rs. 87·5 crores. The actual expenditure over the Plan period will, however be restricted to the Plan provision and the balance carried over to the third Plan.

The programme covers the construction of 1,300 miles of missing links, bye-passes and diversions (including 614 miles in progress at the end of the First Plan) and of 114 major bridges (including 42 bridges on which work was in progress at the end of the First Plan), the improvement of about 4,000 miles of existing sections of National Highways (including 3,000 miles on which work was in progress at the end of the First Plan) and the widening of 3,300 miles (including 300 miles in progress at the end of First Plan) of the improved sections of the National Highways to two-lane carriageways. The actual targets aimed to be achieved during the Second Plan period are, however, the completion of 900 miles of missing links. 40 major bridges, the improvement of 4,000 miles of existing sections and widening of 1,500 miles of improved sections to two lane carriageways. The table below indicates the targets fixed for the year 1956-57 and the achievement during that year :—

	Target for 1956-57	Achievements during 1956-57
	Miles	Miles
1. Construction of missing links, diversions, bye-passes	150	210
2. Construction of major bridges . .	7 Nos.	8 Nos.
3. Improvement of existing sections . .	800	1200
4. Widening of improved sections to two-lane carriageways . . .	300	400

The total expenditure during 1956-57 on the construction and development of National Highways amounted to Rs. 923·41 lakhs. The provision in the revised estimate 1957-58 and the budget estimate, 1958-59 amounts to Rs. 8·60 crores and 8·75 crores respectively. The provision for the construction

of National Highways during 1957-58 has been reduced from Rs. 9 crores to Rs. 8·60 crores in order to accommodate the urgent demands on the construction of roads other than National Highways.

CONSTRUCTION AND DEVELOPMENT OF ROADS OTHER THAN NATIONAL HIGHWAYS

The Central Government assumed administrative control and financial liability for roads other than National Highways in the various Union Territories, Sikkim and North East Frontier Agency with effect from the 1st April, 1950. After the re-organisation of States on the 1st November, 1956, the Government of India ceased to have any jurisdiction over roads other than National Highways in the area included in the former Part 'C' State of Ajmer, Bhopal, Coorg, Kutch and Vindhya Pradesh. The Centre is now responsible for the development and construction and maintenance and repairs of roads other than National Highways only in the Union territories of Delhi, Himachal Pradesh, Manipur, Tripura and Andaman Nicobar Islands and in North East Frontier Agency and Naga Hills and Tuensang Area and roads under the charge of the Central Public Works Deptt. in Sikkim. Provision is also included in the Central Budget for the construction and development of certain roads of special importance in States—Passi-Baddarpur road in Assam West Coast Road in Bombay, Mysore and Kerala States and Dhar-Udhampur road in Jammu and Kashmir State.

The expenditure ceiling for the Second Five Year Plan as tentatively approved by the Planning Commission is Rs. 22·74 crores.

The construction of 1,173 miles of new roads (including bridle paths etc.) and 3 major and 141 minor bridges and cross drainage works and the improvement of 613 miles of existing roads was completed in the former Part C States (since merged in the reorganised States) during the period 1st January to 31st October 1956 and in the Union Territories. NEFA and Sikkim during the period from 1st January 1956 to 31st March, 1957. Besides this, soling and metalling of about 20 miles of the Passi-Badarpur road (82 miles long) was completed during 1956-57, out of which work on about 6 miles was done during the quarter ending March 1957.

Work on the Dar-Udhampur road, which is about 100 miles long, is expected to be completed in all respects (*i.e.*, as a motorable road) by the end of 1959-60. Seventy-nine miles of the road were made jeepable during 1956-57. Further, widening of about 44 miles of the road to full formation width for a motorable road was also completed during 1956-57. During the quarter ending March 1957, work on about 27 miles of jeepable road and the widening of 8 miles to full formation width was completed.

The total length of the West Coast Road which requires to be developed is about 650 miles out of which 25 miles were improved during the First Plan period. Fifty-five miles of the road were improved during 1956-57 out of which about 15 miles were improved during the quarter ending March 1957. Work on the improvement of 13 miles of existing roads in Sikkim was also completed.

The total expenditure during 1956-57 on the construction and development of roads other than National Highways amounted to Rs. 352 lakhs. The provision in the revised estimate for 1957-58 and budget estimate for 1958-59 amounts to Rs. 4·50 crores and 3·75 crores respectively.

CONSTRUCTION OF STATE ROADS OF ECONOMIC OR INTER-STATE IMPORTANCE

This project was put into execution from the 1st April. 1954. Against the provision of Rs.10 crores for expenditure during the last two years of the First Five Year Plan, a programme estimated to cost about Rs. 21 crores was approved and grants-offered to State Governments for the development of certain selected State roads of Inter-State or Economic importance and those leading to or serving Buddhist Pilgrim centres. The programme provided for the construction of about 1,500 miles of new roads and 12 major bridges and the improvement of about 3,000 miles of existing roads. The construction of 125 miles of new roads and the improvement of 500 miles of existing roads was completed upto the end of Firstr Plan Period. A total expenditure of Rs. 409·72 lakhs was incurred under the programme during the First Plan period.

A provision of Rs. 18 crores has been made in the Second Five Year Plan for expenditure on the approved projects carried over from the first plan and on certain new road projects proposed to be taken up in the north and north-eastern border region of India. A few selected roads serving the more important tourist centres are also proposed to be developed during the Second Plan.

The construction of about 1,000 miles of new roads and 9 major bridges and the improvement of about 2,000 miles of existing roads are expected to be completed during the Second Plan. Against these targets, work was completed during the 1956-57 on the construction of 264 miles of new roads and improvement of 676 miles of existing roads. The work done during the quarter ending March, 1957 included the completion of the construction of about 75 miles of new roads and the improvement of 200 miles of existing roads.

Against the total provision of Rs. 28 crores referred to above, the position is as follows:—

	(In lakhs) Rs.
(*a*) Expenditure during the year 1954-55 and 1955-56 . .	409·72
(*b*) Expenditure during the year 1956-57 (anticipated) . .	336·82
(*c*) Revised Estimates, 1957-58	290·00
(*d*) Budget Estimates, 1958-59	250·00
TOTAL	1286·54

INDIAN TELEPHONE INDUSTRIES (P) LTD., BANGALORE

Of the authorised capital of Rs. 4 crores of the Indian Telephone Industries which is fully paid up, Government of India hold shares to the extent of 89·7 per cent. (Rs. 3,58,74,500). The rest of the share capital is held by the Government of Mysore and Messrs. Automatic Telephone and Electric Company of England. Loans had been granted to the Company by the Government of India amounting to Rs. 51,84,200 upto the end of the First Plan period (1955-56) and further loans of Rs. 12 lakhs per year have also been granted during 1956-57 and 1957-58. This amount of Rs. 24 lakhs is against the provision in the Second Plan of Rs. 50 lakhs by way of assistance to the Company from the Government of India, during the entire Second Plan period, towards the Company's capital expenditure programme of Rs. 218 lakhs.

During 1956-57, the Company manufactured 48,400 Telephone Instruments, 28,600 Exchange Lines, 173 Small Exchanges totalling 3,800 lines, 61 Single Channel Carrier Systems, 20-Three Channel Carrier Systems and 1 Twelve Channel

Carrier System. In view of the reduced off-take by the Posts and Telegraphs Department during the year 1956-57, the production targets originally fixed for that yea had to be brought down. For 1957-58, it is estimated that the Company will manufacture 60,000 Telephone Instruments, 33,000 Exchange Lines, 310 Small Exchanges for 10,000 lines, 30 Single Channel Systems, 46 Three Channel Systems and 3 Twelve Channel Systems.

A provision of Rs. 12 lakhs was made in 1957-58 for loans to the company. This amount has since been paid. For 1958-59 the Company's capital expenditur programme amounts to Rs. 50 lakhs and against this a similar amount of Rs. 12 lakhs is proposed to be given as a loan.

For the first time, the Company declared a dividend of Rs. 2½ per cent. in respect of the year 1955-56. As their share, the Government of India, received dividends amounting to roughly Rs. 9 lakhs.

CALCUTTA AUTOMATISATION PROJECT

A project for replacing the Manual Telephone System of Calcutta by approximately 55,000 automatic lines was sanctioned by Government in January, 1949 at a cost of Rs. 13 40 lakhs. The actual capital outlay incurred on the project upto March, 1957 was Rs. 12 35 lakhs. An expenditure of Rs. 62 lakhs and 83 lakhs is likely to be incurred during the years 1957-58 and 1958-59 respectively. All the fifteen exchanges with the initial equipped capacity of 55,000 lines were cut into service at different stages. The last exchange in the last stage was cut over in January, 1958. The total number of working connections on 30th September, 1957 was 38,182. The work on the project is almost coming to a close and some residual works which will remain are expected to be completed in 1958-59.

EXPANSION OF BOMBAY TELEPHONE SYSTEM

A project for expending the telephone system of Bombay was sanctioned by the Government in May, 1950 at a net estimated cost of Rs. 317 lakhs. The project provides for the installation of 18,000 lines of new equipment in the existing exchange building, recovery of 1,600 lines of old equipment and re-arrangement of 3,375 lines of old equipment. 16,900 lines were cut into service by September, 1957 and the remaining 1,100 lines are expected to be cut into service during the current year. The actual expenditure incurred upto March, 1957 is Rs. 261 lakhs. About Rs. 11 lakhs is expected to be spent during 1957-58. The work on the project is coming to a close and the residual work which remains is expected to be completed shortly.

LONG TERM EXPANSION OF BOMBAY TELEPHONE SYSTEM

A project for the long term expansion of the Bombay Telephone System to meet the increasing demand for telephone service was sanctioned in July, 1956 at a net estimated cost of about Rs. 1,250 lakhs. The project provides for the expansion of the capacity of the Bombay Telephone system to 79,700 lines and also for replacement of worn-out equipment. 51,000 lines of new equipment will be installed and 13,460 lines of old equipment will be recovered. The project after completion is expected to yield an annual revenue of Rs. 206 lakhs. The recurring expenditure on this project will be of the order of Rs. 183 lakhs. Rs. 23 lakhs has been spent on the project upto March 1957. A sum of Rs. 41·36 lakhs has been provided for expenditure during the current year and Rs. 63 19 lakhs next year 1958-59. Sites for 5 exchanges have already been acquired and sites for other exchanges are under various stages of acquisition.

REPLACEMENT OF THE MADRAS CENTRAL EXCHANGE

Government have sanctioned a project for the expansion of Madras Central Exchange at a cost of Rs. 126 lakhs. The project envisages installation of 8,000 lines of auto-exchanges in replacement of existing 3,500 lines of old and worn out equipment. Building to house the new exchange is under construction. The work on cable laying has already started and is in progress. The expenditure incurred upto 31st March,1957 is about Rs.13 lakhs. A sum of Rs. 18·5 lakhs is expected to be spent during 1957-58 and a provision of Rs. 24 lakhs has been made in the Budget for 1958-59.

LAYING UNDERGROUND TRUNK CABLE BETWEEN BOMBAY, NEW DELHI AND CALCUTTA

A project for laying underground trunk cable linking Bombay, New Delhi and Calcutta was sanctioned in August, 1956 at an estimated cost of Rs. 795 lakhs. The project aims at a quicker and more reliable telephone service among the principal towns of India by means of carrier system working on underground cables. No appreciable expenditure was incurred on the project upto March, 1957. The work on the first phase of the project has started. 63 miles of cables have already been received and another quota of 73 miles of cables is expected to be shipped very shortly. A sum of Rs. 50 lakhs is expected to be spent during 1957-58 and a provision of Rs. 81 lakhs has been made in the Budget for 1958-59.

TRANSFER OF BOMBAY TELEPHONE WORKSHOP TO SANTACRUZ

The project provides for the transfer of Telephone Workshop from its present location to a new site at Santacruz. The Project is estimated to cost Rs. 117 lakhs. A small provision of Rs. 3,000 has been made in the Budget Estimates for 1958-59 as the project is expected to be approved by Government during the next year.

MINISTRY OF WORKS, HOUSING AND SUPPLY

SUBSIDISED INDUSTRIAL HOUSING SCHEME

The Subsidised Industrial Housing Scheme came into operation in September 1952. It provides for the grant of financial assistance to State Governments or Statutory Housing Boards, private employers and resgistered Co-operative Societies of Industrial Workers, for construction of houses for industrial workers, governed by the Factories Act, 1948 and Mine workers (other than those employed in coal and mica mines) governed by the Mines Act, 1952 and whose total emoluments do not exceed Rs. 250 per mensem.

The table given below shows the financial assistance that is given under the Scheme to State Governments, Private Employers and Co-operative Societies:—

Constructing Agencies	Financial Assistance		Present rate of interest	Period of repayment
	Loan	Subsidy		
(i) State Govts/Statutory Housing Boards	50%	50%	4½%	25 years.
(ii) Private employers . . .	37½%	25%	5%	15 ,,
(iii) Co-operative Societies . .	50%	25%	4½%	25 ,,

The financial assistance is given on the basis of the standard costs prescribed for different types of tenements.

Since the inception of the Subsidised Industrial Housing Scheme in September, 1952 the Government of India have sanctioned financial assistance to the extent of Rs. 25·29 crores (Rs. 13·03 crores as loan and Rs. 12·26 crores as subsidies) for the construction of 89,408 houses, upto the financial year 1956-57 as shown below:—

Constructing Agencies	Number of houses		Assistance sanctioned	
	Sanctioned	Completed	Loans	Subsidy
			(Rs. in lakhs)	
State Governments	74,952	46,464	1196·00	1124·94
Employers	12,787	7,179	83·46	89·04
Co-operatives	1,669	704	23·09	12·45
TOTAL	89,408	54,347	1302·55	1226·43

During the current financial year, a sum of Rs. 43·13 lakhs (in the shape of loans and subsidies) has been sanctioned upto the end of December, 1957, for the construction of 2,090 tenements.

The work of construction on the sanctioned projects is in progress and about 66,700 tenements were completed in all respect upto November, 1957, and a good number of the remaining tenements is in the process of completion.

A provision of Rs. 4·50 crores has been made in the revised estimates for 1957-58 and Rs. 532·50 lakhs in the Budget estimates for 1958-59.

LOW INCOME GROUP HOUSING SCHEME

The Low Income Group Housing Scheme, which was introduced in November, 1954 and is administered through the State Governments/ and Union Administrations, deals essentially with the advance of house building loans by the Central Government, to persons whose annual income does not exceed Rs. 6,000 and who ordinarily do not own houses already. The loan is given at 4½ per cent. interest for a period not exceeding 30 years and is restricted to the 80 per cent. of the cost of each house, including cost of land, subject to a maximum of Rs. 8,000 per house.

The scheme also envisaged grant of loans, recoverable with about 3¼ per cent, interest within three years, by the Centre to the State Governments for acquisition and development of land. The plots of land, so acquired/developed are to be sold, within this period of three years, to prospective builders on a no-profit-no-loss basis.

Provision of Rs. 5·59 crores was made in 1957-58 for advances to State Governments etc. under the scheme and, out of that, a sum of Rs. 1·69 crores was actually utilised till the end of December, 1957. A provision of Rs 6·25 crores has been made in the budget estimates for 1958-59.

SLUM CLEARANCE SCHEME

An allocation of Rs. 20 crores has been made for Slum Clearance Scheme for this Second Plan period. The figure of Rs. 20 crores includes the amount of Rs. 5 crores (being 25 per cent of the cost of this scheme) which has to be found by the States as a matching subsidy to that of the Centre. The Central contribution in this scheme will, therefore, be Rs. 15 crores (Rs.10 crores as loan and Rs. 5 crores subsidy).

The tempo of this scheme has increased as initial difficulties faced by the State Governments have now been resolved. A sum of Rs. 223 lakhs has been provided in the Budget for 1958-59. Out of this amount, Rs. 145 lakhs is for loans, Rs.73 lakhs as subsidy to State Governments and Rs. 5 lakhs for expenditure in Union Territories.

PLANTATION LABOUR HOUSING SCHEME

The Plantation Labour Housing Scheme is one of the new housing schemes introduced in the Second Five Year Plan. The Plan provides for a sum of Rs. 200 lakhs for grant of loans to eligible planters through State Governments, for construction of houses for their resident labour. The scheme envisages grant of loan assistance to the extent of 80 per cent of the cost of construction of the house subject to a maximum of Rs. 2,400 per house in the case of plantations in North India and Rs. 1,920 per house in the case of those in the South.

The lack of sufficient progress so far under this scheme has been due to the fact that most of the State Governments could not complete the necessary preliminaries such as framing of rules for administration of the scheme in the States, prescribing details of standard and specification of houses for plantation labour, etc. Besides, the demand from planters for loans under the scheme has also not been so far very encouraging. Now that almost all the State Governments have either completed or are about to complete the required preliminaries and as also the quantum of loan assistance under the scheme, has been enhanced by 20 per cent. considerable progress in the implementation of the scheme is expected henceforward.

A provision of Rs. 20 lakhs, including Rs. 50,000 for Union Territories, has been made in the Budget for 1958-59.

VILLAGE HOUSING SCHEME

A composite scheme of coordinated assistance to State Governments for setting up of 5,000 village housing projects all over the country during the Second Plan period, has been drawn up and circulated to State Governments. Out of the 5,000 projects, it is proposed to take up 500 during 1957-58 and another 1,500 during the next year. The scheme is based on the principle of aided-self-help and envisages an all-round economic development, spread over a number of years, of the rural areas selected for these projects, to enable the villagers to maintain their houses and to repay the loans taken by them for building of houses, without undue hardship. Assistance from Government will be in the shape of loans to the extent of 50 per cent. of the cost of construction subject to a maximum of Rs.1,500 per house supported by adequate subsidies where permissible and technical advice including provision of improved layout and designs, etc.

The State Governments have to set up Rural Housing Cells at each of their Headquarters with adequate engineering personnel for guiding the rural housing programme. The Government of India are to share 50 per cent. of the cost of the staff employed in the Rural Housing Cells, which will be made available to them in the shape of grants. A provision of Rs. 75 lakhs (including Rs. 5 lakhs for loans

in Union Territories and Rs. 5 lakhs as grants to States towards the cost of Rural Housing cells) has been made in the Budget Estimates for 1958-59.

DEPARTMENT OF ATOMIC ENERGY

THORIUM URANIUM PLANT

This plant has been set up at Trombay to process the residual cake left over from monazite after its rare earths and phosphate contents have been extracted in the monazite processing plant at Alwaye. The cake contains thorium in the form of hydroxide and a small amount of uranium. The capacity of the plant has since been increased nearly five-fold in order to fulfil commitments in respect of supply of thorium nitrate. And also to feed the proposed uranium processing plant. The entire production of the plant, after meeting the country's needs of the gas mantle industry, is at present being utilised to fulfil international commitments. The estimated cost of the plant is Rs. 60·73 lakhs inclusive of 5 per cent. supervision charges payable to Messrs. Indian Rare Earths (Private) Ltd. for operating the plant.

With the increase in the production capacity of the plant, it has become necessary to provide certain additional facilities such as additional store buildings, extension of sub-station etc. The provision of Rs. 2·30 lakhs included in the Budget Estimates for 1958-59 is for meeting expenditure on this account.

PILOT PLANT AT GHATSILA

A pilot plant for the extraction of uranium from copper tailings of the Indian Copper Corporation has been set up at Ghatsila at a cost of about Rs. 4·32 lakhs. The work of setting up the plant is almost complete. Trial runs on the plant have already commenced and as a result of the detailed investigations carried out, it is now proposed to use the plant for experimental work also on other uranium prospects on which pilot plant work on beneficiation is required. It is, therefore, necessary to supplement the existing facilities for which a provision of Rs. 2·20 lakhs has been made in the Budget Estimate for 1958-59. The plant is at present oprated under an agreement by Messrs. Indian Copper Corporation. It has since been decided to operate it departmentally.

ACQUISITION OF LANDS

(a) *Atomic Energy Establishment, Trombay*

The setting up of a Central establishment with well equipped laboratories for physical, chemical, metallurgical and engineering research with adequate facilities for pilot plant experiments and space for research and prototype reactors is one of the first requirements for an independent atomic energy development programme. On the recommendation of the Atomic Energy Commission, any Atomic Energy Establishment has been set up and an area of about 2,836 acres at Trombay near Bombay is being acquired. Out of this, possession of 1,362 acres has actually been taken over leaving a balance of 1,474 acres yet to be acquired. The awards for most of the land taken possession of are expected to become payable during 1958-59. In addition to the land at Trombay, some land is also being acquired in the Parel area in the vicinity of the Indian Cancer Research Centre for providing office and laboratory accommodation for the Biology, Medical and Health Divisions of the Trombay. Establishment. A provision of Rs. 9·50 lakhs has been included in the Budget for 1958-59 on this account.

(b) *Atomic Minerals Division*

The Atomic Minerals Division of the Department has undertaken extensive prospecting and mining operations for atomic minerals in Bihar. In this connection it is proposed to set up a mining colony near the uranium prospects for providing office and residential accommodation and other facilities to the staff as is done by other mining corporations in the neighbourhood. A small provision of Rs. 0·50 lakhs has been made on this account in the Budget Estimate for 1958-59.

URANIUM METAL PROCESSING PLANT

It is essential that India should have her own uranium and thorium and produce her own fissile materials. India is the only country in the whole of Asia and Africa which is in a position to do so. It has been, therefore, decided to set up a uranium metal processing plant at an estimated cost of Rs. 27 lakhs. The designs of the plant are ready and work on the construction of the building is under way. Orders for most of the equipment and stores required for the setting up of the plant have been placed. Expenditure to the extent of Rs. 11 lakhs is expected to be incurred to the end of March 1958 and the balance of Rs. 16 lakhs during 1958-59 and provision has been made accordingly. The plant is expected to be in operation by the middle of 1958. The plant will give enough Uranium for experimental purposes and for use in the reactors that are under construction at present. It will also give the scientific and technical staff the necessary experience for the design and construction of the large uranium plants which will be required by a full atomic power programme.

BUILDING AND ROADS

(a) *Atomic Energy Establishment, Trombay*

The various laboratories and workshops of the Atomic Energy Establishment and research and prototype reactors are being set up at Trombay where necessary land is being acquired. Similarly construction of roads is also very essential as part of the general services for the development of the area. The layout of the entire Establishment has been prepared and some buildings have been completed while the construction of others will start very soon. Some of the new laboratories will be ready shortly, although all the buildings planned at present will not be ready before 1959. A provision of Rs. 32·90 lakhs is included in the revised estimates for the current financial year. Out of the provision of Rs. 1 crore included in the Budget estimates for 1958-59, Rs. 50 lakhs is on account of the Trombay Establishment's share of the charges of the sea water intake arrangements in connection with the Canada-India Reactor and other Projects to be located at Trombay.

(b) *Atomic Minerals Division*

As already mentioned, it is proposed to set up a mining colony near Tatanagar for the Atomic Minerals Division of the Department. A number of residential quarters for officers and staff working at the Uranium Prospects in Bihar and sheds for storage of ore are to be built, and a provision of Rs. 2 lakhs has been included on this account in the Budget estimdes for 1958-59.

CANADA-INDIA REACTOR

This reactor is being set up in co-operation with the Canadian Government under the Colombo Plan. Under the agreement signed between the Government of Canada and Government of India, Canada will bear external cost amounting to Rs. 354·23 lakhs, while India will bear the internal cost amounting to Rs. 319·25

akhs. The construction of the reactor is making steady progress and according to the present schedule is expected to go into operation by end of 1958. This reactor, which is similar to the well known NRX reactor at Chalk River in Canada, when completed, will enable India to undertake advanced engineering research and material testing. It will also enable experiments on conversion of thorium into fissile uranium, which will give India a prominent position in the field of atomic energy.

APSARA (SWIMMING POOL) REACTOR

This reactor, India's first one, completed one year's steady operation on the 4th August, 1957. During the year, the reactor has been used for research in neutron physics, irradiation of biological and agricultural materials and prodution of isotopes. The reactor has cost about Rs. 31 lakhs excluding charges for the fuel elements which have been obtained on loan from the United Kingdom. The provision of Rs. 0·50 lakhs made in the Budget Estimates for 1958-59 is for clearing unliquidated liabilities.

ZERLINA REACTOR

Soon after India's first reactor, Apsara, went into operation, it was decided to set up a third reactor 'Zerlina' (Zero Energy Reactor for Lattice Investigations and New Assemblies). This is an essential project for work leading to new designs of Atomic reactors and particularly those using mixed lattices of uranium or plutonium and thorium. The necessary financial sanction for the project, which is estimated to cost Rs. 22 lakhs, excluding the cost of uranium, heavy water and graphite, has been issued. The construction of the reactor has been taken on hand and it is expected to have this reactor also in operation during 1958-59.

NEW PROJECTS

A provision of Rs. 50 lakhs is included in the Budget for 1958-59 for meeting expenditure on the various new projects, such as (i) Fuel Fabrication Plant, (ii) Plant for the production of automatically pure graphite, (iii) Plant for processing Beryllium oxide and (iv) Benefication plant for rising the content of lowgrade uranium ore. All these projects are very essentially ancillary projects for the implementation of the atomic energy development programme. The estimate for the Fuel Fabrication Plant which should be completed by September, 1958 is ready and is expected to be sanctioned very shortly. The fuel element required for the operation of the Canada-India Reactor will be fabricated in this plant. The estimates for the other projects are under various stages of preparation.

SECTION IV

ECONOMIC DATA

SECTION IV

INTRODUCTION

The statistical data presented in this Section are designed to depict, within a short compass, the developing economy of the country as a whole. Statements I to XIV deal with the main aspects of the internal economy, namely agricultural production, industrial production, power production, wholesale commodity prices, consumer prices, security prices, currency, money supply and banking. Statements XV to XIX deal with foreign trade and external payments.

The following paragraphs briefly describe the tendencies disclosed by the figures.

Agricultural Production (*Statement I*).—The index based on the currently available crop estimates for 1956-57 (which are subject to revision) and those for 1955-56 (which are only partially revised) would indicate a rise of 6·1 per cent in the overall agricultural production during 1956-57 as compared to 1955-56. The foodgrain index rose by 5·4 per cent and that of non-foodgrain crops by 7·5 per cent. The corresponding changes in individual group indices were as follows :—

Groups	Percentage rise (+) or fall (—) during 1956-57 over 1955-56
Kharif cereals	+5·1
Rabi cereals	+4·8
Pulser	+7·7
Oilseeds	+6·1
Fibres	+13·9
Plantation crops	+1·4
Miscellaneous crops	+7·4

Reviewing the position over a longer period, a record rise of 17·8 per cent in the index of foodgrain production during 1953-54 as compared to 1952-53 was followed by a fall of 3·9 per cent during 1954-55 and 4·7 per cent during 1955-56 and a small rise of 0·4 per cent during 1956-57 as compared to the 1953-54 level. The production of non-foodgrain crops improved by only 0·9 per cent during 1953-54 but 16 per cent during 1954-55 over 1952-53. This was followed by a further rise of 0·2 per cent during 1955-56 and 7·8 per cent during 1956-57 compared to the 1954-55 level. The overall index, which had recorded a sharp advance of 12·1 per cent during 1953-54 over 1952-53, showed a futher improvement of 1·8 per cent during 1954-55, 1·4 per cent during 1955-56 and 7·6 per cent during 1956-57 as compared to the 1953-54 level.

Industrial Production (*Statement II*).—The rising trend in industrial production witnessed during the preceding years was generally maintained during 1957. The production of cement during 1957 totalled 5·6 million tons representing a rise of 13·7 per cent over the previous year, but finished steel at about 1·3 million tons did not show any marked improvement. As regards consumer items, cotton piecegoods was only a shade higher at 5,300 million yards, but paper at about 4·2 million cwts. and sugar at about 2·1 million tons represened a rise of 8·1 per cent and 6 per cent respectively over the previous year. In contrast with the general trend, the production of jute manufactures declined by 5·7 per cent,

Coal and Power Production (*Statements II and III*).—The production of coal and power also recorded considerable improvement. The raising of coal during 1957 totalled 43·4 million tons, or 10·1 per cent higher as compared to the previous year. The improvement in the case of electricity was still greater, the total generation during 1957 being about 10,900 million kwh, representing a rise of 12·8 per cent over 1956.

Wholesale Prices (*Statements IV and V*).—A slightly easier trend in prices characterised the wholesale commodity markets during the first quarter of 1957 after the persistent rise witnessed during the preceding year. This down-trend however, proved to be only a temporary phase and prices resumed their upward course from April 1957. From the second week of August, the markets again developed an easier tone. The general index of wholesale prices (base: 1952-53=100), which averaged to 108·1 in December 1956, declined to 106·5 in March 1957. From April onwards, the index began to rise steeply and averaged to 112·0 in August 1957, but thereafter receded gradually to 107·0 in December 1957, a level 1·0 per cent lower than a year ago. Taking the year as a whole, the index averaged to 108·7 in 1957 representing a rise of 5·9 per cent over 1956 compared to the rise of 12·1 per cent in 1956 over 1955.

As regards individual group indices, fluctuations were generally greater in 'food articles' than in 'industrial raw materials'. The index of 'food articles' recorded a net fall of 2·7 per cent over the first three months, a rise of 9·6 per cent over the next five months and a fall of 7·2 per cent over the last four months. For the index of industrial raw materials, there was a net decline of 2·3 per cent over the first four months, an advance of 4·2 percent over the next three months and a decline of 5·1 per cent over the last five months. The index of 'manufactures' remained relatively stable, as in the previous years. In each of these major groups, the price level reached in December was lower than a year ago but the average price level for the year as a whole was appreciably higher than that for the preceding year. This would be seen from the following table :—

	Percentage rise (+) or fall (—) in			
	Dec.'57 over Dec.'56	Dec.'56 over Dec.'55	1957(Aug) over 1956(Aug.)	1956-(Aug.) over 1955(Aug.)
Food articles	—1·0	+20·1	+7·9	+15·9
Industrial raw materials	—3·4	+17·2	+4·3	+16.3
Manufactures	—1·2	+8·6	+2·9	+5.5
General index	—1·0	+15.6	+5·9	+12·1

Consumer Prices, Working Class (*Statement VI*).—Although their upward movement was occasionally interrupted, the consumer price indices (working class) generally recorded a net rise during the year 1957. The all-India consumer price index (base 1949=100),which had earlier moved up from 97 in January 1956 to 109 in December 1956, showed an appearance of stability at the level of 107 during the first three months of 1957. From April, the index began to rise steadily, touching the peak level of 114 in September. After a slight downward movement thereafter, the index stood again at 114 in December 1957, representing a rise of about 5 per cent compared to December 1956 and 16 per cent compared to December 1955. Taking the average for the year as a whole ; there was a rise of 6 per cent in 1957 over 1956, compared in the rise of 9 per cent in 1956 over 1555. As regards the indices for individual industrial centres, the rise in the averge level during 1957 over that in 1956 was about 6 per cent at Calcutta and Kanpur, 5 per cent at Madras and Delhi and 4 per cent at Bombay.

Security Prices (*Statements VII to IX*).—As in the preceding year, the gilt-edged market ruled steady to firm during the first five months of 1957 but, later on, developed an easy tendency. The All-India combined index of government and semi-government securities (base : 1949-50=100), which stood at 89·7 in December 1956 and 89·9 in May 1957, declined to 89·1 in December 1957, representing a net decline of 0·7 per cent over the year. The average level of the index for 1957 worked out to 89·4 or 1·5 per cent lower than that for 1956.

The declining trend, characterising the industrial share market during the last four months of 1956, continued upto June 1957. A firmer tone was in evidence in July but this was short-lived and prices resumed their downward course from August The All-India combined index of variable dividend industrial securities (base: 1949-50=100), fell sharply from 117·4 in December 1956 to 102·6 in June 1957 but firmed up to 105·5 in July only to record a further decline during the rest of the year. The index at 97·2 in December 1957 was 17·2 per cent lower compared to the December 1956 level. Taking the year as a whole, the index averaged to 104·5 for 1957 or 15·6 per cent lower compared to the average for 1956. As regards the individual group indices, the net decline between December 1956 and December 1957 was 26·3 per cent in cotton, woollen and silk manufactures, 19·3 per cent in jute manufactures, 14·5 per cent in iron and steel, 16·5 per cent in paper, 21·1 per cent in cement, 7·0 per cent in sugar and breweries, 14·5 per cent in coal and 24·5 per cent in plantations.

Money supply (*Statements X and XI*).—It was envisaged in the Second Five Year Plan that the total money supply by the end of 1960-61 might increase by about 66 per cent or to about Rs. 3,600 crores as a result of the government short-term borrowing of Rs. 1,000 crores from the Reserve Bank. This meant an average annual increase of Rs. 280 crores during 1956—61. The Plan involved not only a sizeable expansion of money supply but a substantial reduction in India's foreign exchange reserves. To meet this problem, it was necessary to discontinue the ratio link between foreign exchange reserves and note issue. The Reserve Bank of India (Amendment) Act, 1956, which came into force on October 6, 1956, fixed, in absolute terms, a statutory minimum reserve of Rs. 400 crores in foreign securities and Rs. 115 crores in gold coin and bullion, subject to the proviso that the prescribed minimum for foreign securities could be temporarily reduced to Rs. 300 crores after taking previous sanction of the Central Government. The sharp and continuous decline in the foreign exchange reserves and the likelihood of a continuation of that trend necessitated a further amendment of the above provisions with effect from October, 31, 1957, prescribing the statutory minimum reserve of gold coin and bullion and foreign securities as Rs. 200 crores of which gold coin and bullion should not be less than Rs. 115 crores.

2. Money supply with the public expanded by Rs. 272 crores to Rs. 2,382 crores during the busy season, October 1956 to May 1957. The net contraction during the slack season, June to September 1957 was Rs. 148 crores. Thus, over the twelve-month period, October 1956 to September 1957, the overall net expansion was of the order of Rs. 124 crores or about Rs. 31 crores less than the corresponding expansion over the preceding twelve months. The special feature that characterised the expansion during this twelve-month period was the pronounced decline in the rate of expansion of curency and sharp rise in the rate of expansion of deposit money. Currency with the public went up by Rs. 55 crores to Rs. 1,491 crores and deposit money by Rs. 69 crores to Rs. 743 crores as compared to the increase of Rs. 126 crores and Rs. 29 crores respectively during the preceding twelve months.

With the approach of the 1957-58 busy season, money supply with the public recorded a rise of Rs. 42 crores during October to December 1957 as compared to the rise of Rs. 69 crores during the corresponding months of 1956. Over the year 1957, the net increase in money supply was Rs. 97 crores as against the increase of Rs. 132 crores over 1956. The bulk of the expansion took place in deposit money during the 1957 and in currency during 1956.

3. The three major factors influencing the changes in money supply were (*i*) the budgetary deficit (as measured by net expansion of the Reserve Bank credit to government after adjusted for net changes in government cash balances with the Reserve Bank), (*ii*) the extension of scheduled bank credit to the private sector (as measured by 'advances' and 'inland and foreign bills purchased and discounted,) and (*iii*) the balance of payments deficit (as measured by changes in the foeign assets of the Reserve Bank). While the first two factors exercised an influence in bringing about a rise in money supply, the third had an offsetting effect. The budgetary deficit, as defined above, amounted to Rs. 422 crores during 1957 as compared to Rs. 261 crores during 1956. The net expansion of scheduled bank credit to the private sector during 1957 and 1956 was Rs. 68 crores and Rs. 158 crores respectively. Thus, the combined expansionary effect of the first two factors on money supply was greater in 1957 than in 1956. While this was true, the offsetting effect of the third factor was also greater in 1957 than in 1956. The foreign assets of the Reserve Bank of India declined by Rs. 232 crores during 1957 as compared to the decline of Rs. 205 crores during 1956.

Banking (*Statements XII to XIV*).—During the year 1957, the Reserve Bank's holding of government rupee securities rose sharply by Rs. 395 crores to Rs. 1,242 crores, as against relatively smaller rise of Rs. 258 crores during the previous year. On the other hand, the Reserve Bank's holdings of foreign assets declined during the year by Rs. 232 crores to Rs. 298 crores, as compared to the decline of Rs. 205 crores during 1956. While government balances with the Reserve Bank at Rs. 67 crores at the end of December 1957 were a shade higher than a year ago, loans and advances to governments by the Reserve Bank were marked up from Rs. 7 crores at the end of December 1956 to Rs. 35 crores at the end of December 1957.

Scheduled bank credit (comprising 'advances' and 'inland and foreign billts purchased and discounted'), which amounted to Rs. 735 crores at the end of August 1956 (*i.e.*, at the close of the 1956 slack season which was of short duration), recorded a sharp rise of Rs. 198 crores by the end of May 1957, as compared to the rise of Rs. 163 crores during the corresponding period of 1955-56. There was a seasonal decline of Rs. 86 crores during June to September 1957 followed by a net expansion of Rs. 10 crores during the next three months to touch Rs. 857 crores at the end of December 1957. Over the year 1957, the net rise was Rs. 68 crores or about 9 per cent as compared to the rise of Rs. 158 crores or 25 per cent over the previous year. The corresponding increase in net deposit liabilities of scheduled banks during 1957 being of the order of Rs. 268 crores or 24 per cent (*i.e.*, from Rs. 1,101 crores to Rs. 1,369 crores), the credit deposit ratio declined from 71·6 per cent at the end of 1956 to 62·6 per cent at the end of 1957. The excess of additional deposits over additional credit was partly accounted for by an increase of Rs. 69 crores investments in government securities and Rs. 17 crores in cash in hand and balances with the Reserve Bank and also a reduction of Rs. 56 crores in borrowings from the Reserve Bank and the State Bank. The ratio of scheduled bank cash balances (including balances with the Reserve Bank) to net deposit liabilities declined from 8·2 per cent at the end of 1956 to 7.8 per cent at the end of 1957. The corresponding decline in the ratio of scheduled bank holdings of government securities to net deposit liabilities was from 33·1

per cent to 31·7 per cent. The ratio of demand liabilities to total deposit liabilities, which had receded from 59·5 per cent at the end of 1955 to 58·5 per cent at the end of 1956, fell more steeply to 51·3 per cent at the end of 1957.

The total cheque clearances through the clearing houses in India improved from Rs. 8,400 crores during 1956 to Rs. 8,900 crores during 1957.

Balance of Payments (*Statements XVIII and XIX.*)—During the first three quarters of 1957, India's current account on external payments registered a deficit of Rs. 305·2 crores as compared with the deficit of Rs. 124·4 crores during the corresponding period of 1956 and Rs. 209·2 crores during the whole of 1956. The deficit was made up of Rs. 81·8 crores in the first quarter, Rs. 84·9 crores in the second quarter and Rs. 138·5 crores in the third quarter, the position in the corresponding quarters of 1956 being a surplus of Rs. 1·5 crores and deficits of Rs. 44·5 crores and Rs. 81·4 crores respectively.

The large deficit was mainly due to the sustained rise in import payments. The total import payments amounted to Rs. 927·9 crores during the first three quarters of 1957 as compared to Rs. 686·3 crores during the corresponding quarters of 1956 and Rs. 980·3 crores during the whole of 1956. Export receipts during the first three quarters of 1957 being Rs. 518·7 crores (including despatch of Lend-Lease silver) the trade deficit for the period came to Rs. 409·2 crores as compared to Rs. 225·0 crores for the corresponding quarters of 1956 and Rs. 347·5 crores for the whole of 1956.

India has normally a deficit on merchandise trade and a surplus on 'invisibles'. An over-all deficit on current account, therefore, represents the excess of deficit on merchandise trade over surplus on 'invisibles'. The total surplus on 'invisibles' during the first three quarters of 1957 amounted to Rs. 104·0 crores as compared to Rs. 100·6 crores during the corresponding period of 1956 and Rs. 138·3 crores during the whole of 1956. Of this, the net receipts from 'donations' amounted to Rs. 52·2 crores and other 'invisibles' to Rs. 51·8 crores, the corresponding figures for the first three quarters of 1956 being Rs. 59·6 crores and Rs. 41·0 crores respectively and those for the whole of 1956 being Rs. 78·1 crores and Rs. 60·2 crores respectively.

Unidentifiable transactions during the first three quarters of 1957, merged under 'errors and omissions' indicated a net out flow of Rs. 1·4 crores. Taking this into account, the current deficit during the period would amount to Rs. 306·6 crores. As against this, the net inflow on capital account from official loans and other capital transactions amounted to Rs. 130·6 crores. The deficit requiring accommodation from the existing foreign exchange reserves, therefore, amounted to Rs. 176·0 crores, as compared to Rs. 114·2 crores during the corresponding quarters of 1956 and Rs. 201·5 crores during the whole of 1956.

Region-wise by far the largest deficit on current account duirng the first three quarters of 1957 was with the OEEC countries, namely Rs. 188·2 crores. The corresponding deficit with the dollar area was Rs. 23·8 crores, with the sterling area Rs. 42·9 crores and with the rest of the world Rs. 50·3 crores.

Complete details regarding balance of payments for the fourth quarter of 1957 are not yet available.

Summary.—The year 1957 was marked, upon the whole, by a further rise in industrial output, a pronounced improvement in both food and non-food crops (1956-57), a further advance in the average levels of wholesale and consumer prices but a substantial reduction in the rates of advance, a marked decline in the rates of expansion of money supply and bank credit, a continued rise in the level of imports and consequent decline in foreign exchange reserves.

STATEMENT I.—*Index Numbers of Agricultural Production*

(Base : Crop Year ending June 1950=100)

	Foodgrains					
	Cereals (1)			Pulses (2)		
	Rice	Wheat	Total Cereals	Gram	Total Pulses	Total Food-grains
1	2	3	4	5	6	7
Weights . . .	35·3	8·5	58·3	3·7	8·6	66·9
1952-53 . . .	96·8	112·7	101·4	109·2	98·8	101·1
1953-54 . . .	118·6	120·0	120·1	125·4	112·0	119·1
1954-55† . . .	105·5	133·7	114·0	142·2	117·3	114·4
1955-56† . . .	112·7	130·5	113·7	140·6	112·3	113·5
1956-57* . . .	118·1	138·1	119·4	156·4	120·9	119·6

	Other Crops				
	Oil Seeds (3)		Fibres (4)		
	Ground-nuts	Total Oil-seeds	Cotton	Jute	Total Fibres
1	8	9	10	11	12
Weights . . .	5·7	9·9	2·8	1·4	4·5
1952-53 . . .	85·3	91·9	121·0	148·6	128.4
1953-54 . . .	100·3	103·7	151·8	100·0	132·1
1954-55† . . .	122·1	121·7	163·1	94·7	141·2
1955-56† . . .	114·2	109·2	151·6	135·7	148·3
1956-57* . . .	120·8	115·9	179·3	136·5	168·9

N.B.—For footnotes see next page.

STATEMENT I.—*Index Numbers of Agricultural Production* —contd.

(Base : Crop year ending June 1950=100)

	Other Crops—*contd.*			
	Plantation Crops			
	Tea	Coffee	Rubber	Total Plantation Crops
1	13	14	15	16
Weights	3·3	0·2	0·1	3·6
1952-53	115·4	125·9	106·1	115·7
1953-54	100·6	146·5	131·8	104·0
1954-55†	110·7	148·1	127·6	113·2
1955-56†	113·3	197·1	133·5	118·5
1956-57*	113·4	222·8	139·2	120·2

	Miscellaneous (5)				
	Sugarcane	Tobacco	Total Miscellaneous	Total Other Crops	General Index
1	17	18	19	20	21
Weights	8·7	1·9	·1	33·1	100·0
1952-53	101·6	91·3	·5	103·8	102·0
1953-54	89·5	101·5	7·4	104·7	114·3
1954·55†	116·7	93·9	115·0	120·4	116·4
1955-56†	121·2	98·1	120·6	120·7	115·9
1956-57*	136·7	97·7	192·5	129·8	123·0

(1) Rice, Jowar, Bajra, Maize Ragi, Small Millets, Wheat and Barley.
(2) Gram, Tur and other Pulses.
(3) Groundnut, Sesamum, Rape and Mustard, Linseed and Castorseed.
(4) Cotton, Jute and Mesta.
(5) Sugarcane, Tobacco, Potato, Pepper, Chillies and Ginger.
*Subject to revision.
†Partially revised.

Source : *Directorate of Economics and Statistics Ministry of Food and Agriculture*

STATEMENT II.—*Industrial Output*

Monthly average or calendar months

	Coal Raisings Tons (000)	Iron & Steel (finished steel) Tons (000)	Cotton Manufactures (Piecegoods) Yards (Millions)	Jute Manufactures Tons (000)	Sugar Tons (000)
1	2	3	4	5	6
1952	3,025	89·7	383·2	79·3	118·2
1953	2,998	85·3	406·5	72·4	108·1
1954	3,073	101·0	416·5	77·3	90·5
1955	3,185	100·6	424·5	85·4	134·6
1956	4,387	105·4	442·2	91·1	162·7
1957	3,621	107·3	443·1	85·8	172·4
1956—					
January	3,207	106·3	413·8	88·9	354·8
February	3,358	106·6	425·4	92·8	353·6
March	3,363	109·9	418·8	99·3	335·1
April	3,224	100·7	420·8	93·9	251·5
May	3,316	100·7	452·6	101·7	132·9
June	3,195	95·2	541·4	98·7	60·0
July	3,165	109·9	467·0	94·1	7·3
August	3,311	111·3	438·3	89·6	3·5
September	3,126	104·9	465·6	84·5	8·8
October	3,178	105·5	443·4	80·4	12·1
November	3,324	108·1	430·1	83·8	97·6
December	3,679	105·4	479·3	84·9	335·4
1957—					
January	3,630	120·2	483·7	88·8	361·4
February	3,521	96·1	435·1	80·2	355·7
March	3,657	109·6	453·3	84·7	375·8
April	3,726	105·2	464·4	86·8	277·0
May	3,793	105·3	553·1	87·3	153·1
June	3,316	97·2	419·6	80·1	39·3
July	3,296	105·5	458·9	85·9	9·9
August	3,376	108·5	420·5	81·9	7·6
September	3,641	108·9	443·7	86·0	8·2
October	3,553	105·3	415·0	83·5	17·4
November	3,920	110·7	432·0	91·9	105·3
December	4,019	144·7	438·0	92·8	358·4

STATEMENT II.—*Industrial Output*—contd.
Monthly average or calendar months

	Paper Cwts. (000)	Cement Tons (000)	Ammonium Sulphate Neutral Tons	Index of Industrial Production (Base : 1951 = 100)
	7	8	9	10
1952	229·2	294·8	18,359	103·6
1953	232·8	315·0	26,635	105·6
1954	258·9	366·5	28,352	112·9
1955	308·1	373·9	32,758	122·1
1956	322·3	410·7	32,416	133·0
1957	348·5	466·8	31,638	..
1956—				
January	319·4	401·1	36,327	122·9
February	296·2	394·3	33,754	134·9
March	323·9	430·5	29,428	128·6
April	310·0	395·0	31,816	134·9
May	329·4	418·1	29,084	151·1
June	314·7	414·8	25,173	**
July	334·9	395·5	33,002	153·1
August	325·1	397·6	33,259	133·2
September	322·4	399·5	29,431	146·4
October	320·4	410·8	37,373	131·9
November	320·1	412·1	35,831	142·3
December	351·4	459·2	34,512	136·1
1957—				
January	349·9	459·0	32,165	139·9
February	319·4	427·7	33,146	142·7
March	345·8	491·6	32,750	138·1
April	337·5	456·4	29,481	147·7
May	345·5	488·4	32,847	156·2
June	335·7	393·1	22,406	168·5
July	350·2	425·1	30,622	162·3
August	360·3	449·6	31,692	141·6
September	311·9	422·4	30,423	144·8
October	365·9	510·6	30,960	133·8
November	384·2	110·1	35,745	148·1
December	375·1*	587·3	37,417	..

*Provisional.
**Figures under examination.

Source : Director of Industrial Statistics, Cabinet Secretariat.

STATEMENT III.—*Production and Distribution of Electricity*

	(1) Electricity generated (Million kwh.)	Electricity sold (Million kwh.)			
		Domestic consumption	Industrial power	Others	Total
1	2	3	4	5	6
1952	516	50	271	99	420
1953	559	57	292	106	455
1954	627	62	330	116	508
1955	716	68	383	126	577
1956	805	78	438	142	658
1957	906	86	488	157	731
1956—					
January	757	74	407	141	622
February	750	73	415	134	622
March	800	74	434	143	651
April	781	77	418	149	644
May	826	81	435	153	669
June	796	80	430	149	659
July	798	77	440	139	656
August	794	77	438	135	650
September	813	79	449	138	666
October	824	82	451	137	670
November	811	83	455	132	668
December	881	84	480	151	715
1957—					
January	869	83	480	149	712
February	811	79	452	147	678
March	875	81	479	157	717
April	901	83	493	159	735
May	932	87	500	170	757
June	898	86	476	164	726
July	928	86	499	159	744
August	923	87	487	157	731
September	925	88	496	155	739
October	918	90	486	155	731
November	930	89	499	152	740
December*	957	92	514	156	762

*Provisional.
(1) Including purchases from non-electric utilities.

Source : Central Water and Power Commission, Power wing Ministry of Irrigation and Power.

STATEMENT IV—*Index Numbers of Wholesale Prices—(Revised Series)*
ALL INDIA (Base 1952-53=100)

Average of weeks (1)	Food articles	Liquor and Tobacco	Fuel Power, Light and Lubricants	Industrial Raw Materials	Manufactures			All Commodities
					Intermediate Products	Finished Products	Total Manufactures	
1	2	3	4	5	6	7	8	9
1953(2)	108·9	98·3	99·4	110·1	98·4	98·7	98·7	105·6
1954	98·2	94·4	97·7	104·0	97·7	100·8	100·4	99·6
1955	85·4	82·3	95·3	97·3	97·6	99·7	99·4	91·5
1956	99·0	82·3	101·6	113·2	110·0	104·1	104·9	102·6
1957	108·8	91·8	111·5	118·1	108·5	107·8	107·9	108·7
1956—								
January	89·4	80·2	95·9	105·3	105·4	100·4	101·1	95·3
February	88·8	79·4	96·0	107·2	106·6	100·3	101·2	95·3
March	92·8	78·7	98·8	109·4	110·0	101·6	102·9	98·1
April	95·9	78·7	98·5	111·4	110·8	101·7	102·9	100·0
May	96·6	79·5	98·3	114·2	110·5	101·7	103·0	100·9
June	99·0	80·5	98·7	112·9	109·5	102·5	103·5	102·1
July	101·0	84·0	104·6	112·2	108·5	103·5	104·4	103·5
August	105·0	83·1	105·4	116·3	111·7	104·7	105·7	106·5
September	103·6	83·6	106·2	116·8	111·3	108·7	109·0	106·9
October	104·0	85·0	105·8	115·5	110·1	107·9	108·3	106·7
November	106·9	86·7	106·7	118·0	112·2	107·8	108·4	108·[illegible]
December	105·1	97·7	106·8	119·4	113·9	108·0	108·8	108·[illegible]
1957—								
January	103·6	87·9	105·8	120·3	113·0	107·7	108·4	107·3
February	104·1	87·1	106·5	117·6	110·9	106·9	107·4	106·9
March	102·3	87·2	106·5	117·3	108·9	105·7	106·2	105·6
April	104·3	88·0	107·7	116·7	108·3	105·9	106·2	106·5
May	107·0	90·6	110·2	120·4	109·3	107·3	107·6	109·0
June	109·3	92·3	112·0	121·4	108·9	108·5	108·6	110·7
July	111·3	93·7	114·2	121·6	108·6	108·8	108·8	111·9
August	112·1	92·1	115·0	120·1	108·2	108·6	108·6	112·0
September	108·5	93·7	115·0	115·4	107·3	108·9	108·6	109·5
October	107·3	95·2	114·6	114·8	106·5	109·1	108·8	108·9
November	107·9	96·5	115·0	116·0	106·0	108·8	109·4	109·3
December	104·0	97·5	114·9	115·4	105·7	107·8	107·5	107·0

(1) Annual figures are simple artithematic average of months.
(2) Average of 9 months ending December.

Source : Office of the Economic Adviser, Ministry of Commerce and Industry.

STATEMENT V.—*Index Numbers of Prices of certain Industrial Articles.*
(Figures relate to the last week of the month)
(Base : 1952-53=100)

Monthly average or calendar months	Sugar	Kerosene	Petrol	Cotton Manufactures	Jute Manufactures	Cement	Galvanized Corrugated Sheets	Leather	Coal
1	2	3	4	5	6	7	8	9	10
1953 . .	97·7	99·2	102·4	103·4	89·8	91·3	106	101·0	100·0
1954 .	105·4	96·3	103·0	106·8	99·2	96·2	108	97·3	100·0
1955 . .	95·3	88·5	101·4	105·2	99·1	98·8	112	100·8	100·4
1956 . .	94·7	89·2	100·0	113·8	94·6	105·5	122	106·7	110·9
1957 . .	104·4	93·2	108·2	116·2	97·7	123·0	131	108·8	125·3
1956—									
January.	94	84	100	106	97	98	120	106	101
February	95	85	100	106	96	98	120	104	101
March	95	87	100	109	95	98	120	105	101
April .	93	89	100	110	92	98	120	106	101
May .	94	89	100	112	89	98	120	107	101
June .	96	90	100	113	89	98	124	107	101
July .	96	90	100	115	88	113	124	106	120
Augusrt .	97	90	100	116	90	113	124	105	121
September	95	90	100	122	97	113	124	104	121
October	94	92	100	121	97	113	124	107	121
November	93	92	100	119	101	113	124	111	121
December	94	92	100	117	104	113	124	112	121
1957—									
January.	94	92	100	117	102	113	124	112	121
February	95	92	100	116	98	113	124	111	121
March .	95	92	100	115	94	113	124	110	121
April .	95	91	100	116	95	113	124	107	121
May .	100	91	107	116	98	121	135	109	121
June .	112	94	113	116	100	129	135	109	121
July .	112	95	113	117	98	129	135	108	128
August .	112	94	113	117	97	129	135	108	130
September	110	95	113	117	99	129	135	108	130
October	110	94	113	117	100	129	135	108	130
November	109	94	113	115	95	129	135	108	130
December	109	94	113	115	91	129	135	108	130

Source : Office of the Economic Adviser, Ministry of Commerce and Industry.

STATEMENT VI.—*Consumer Price Index Numbers—Working Class*

(Base : adjusted to 1949=100)

Monthly Average or calendar months	Bombay	Madras	Kanpur	Delhi	Calcutta	All India
1	2	3	4	5	6	7
1952	110	102	92	108	98	103
1953	118	109	95	106	99	106
1954	117	106	85	105	96	101
1955	110	99	78	99	92	96
1956	115	111	89	109	99	105
1957	120	116	94	114	105	111*
1956—						
January . . .	109	103	85	103	92	97
February . .	110	103	82	104	92	97
March . . .	114	105	83	105	95	100
April . . .	117	110	86	106	97	103
May . . .	116	110	85	106	98	104
June . . .	117	113	88	107	99	106
July . . .	115	114	91	109	100	107
August . .	118	115	93	111	101	109
September . .	115	114	93	112	101	108
October . .	117	112	94	116	101	109
November . .	116	114	93	117	101	110
December .	116	115	91	115	102	109
1957—						
January . . .	116	115	91	113	101	107
February . .	116	114	92	114	101	107
March . . .	116	114	91	114	101	107
April . . .	116	114	89	112	101	108
May . . .	118	114	91	114	102	110
June . . .	121	115	92	115	105	112
July . . .	122	116	96	115	106	112
August . . .	123	115	98	118	107	113
September . .	122	115	97	113	109	114
October . .	122	116	96	113	103	114
November . .	125	121	96	112	108	113*
December . .	125	121	93	110	107	114*

*Provisional.

Sources 1. *State Governments.*
2. *Labour Bureau, Ministry of Labour and Employment.*

STATEMENT VII—*Fixed Yield Government Securities : Price Index and Yield of 3 per cent Government Paper (Bombay).*

Monthly average or calendar months	Price Index (Base: 1949-50 = 100)	Yield (Per cent)
1	2	3
1952	83·2	3·69
1953	84·2	3·64
1954	83·9	3·65
1955	82·5	3·72
1956	78·2	3·93
1957	74·3	4·14
1956—		
January	82·2	3·73
February	81·8	3·75
March	78·8	3·90
April	78·5	3·91
May	79·1	3·88
June	79·1	3·88
July	78·6	3·91
August	77·2	3·98
September	76·9	3·99
October	76·3	4·02
November	75·4	4·06
December	74·7	4·11
1957—		
January	74·9	4·10
February	75·6	4·06
March	76·2	4·03
April	76·0	4·03
May	75·5	4·06
June	74·7	4·11
July	74·5	4·12
August	73·0	4·21
September	73·0	4·21
October	72·7	4·23
November	72·6	4·23
December	72·6	4·23

Source: Reserve Bank of India.

STATEMENT VIII—*Index Numbers of Security Prices—All India*

(Base : 1949-50=100)

Average of weeks	Government and Semi-Government Securities	Debentures of Industrial Concerns	Preference Shares	Variable Dividend Industrial Securities
1	2	3	4	5
1953(1)	90·4	101·0	87·2	93·9
1954	90·4	100·9	88·3	109·4
1955	90·8	100·6	87·7	119·5
1956	90·8	100·6	84·6	123·8
1957	87·8	98·6	76·7	104·2
1956—				
January	91·1	101·1	87·3	125·7
February	91·3	101·1	86·7	121·0
March	90·9	101·1	85·8	122·4
April	90·9	100·9	85·6	123·1
May	91·1	100·8	85·1	123·8
June	91·2	100·5	85·2	125·1
July	91·2	100·4	85·3	125·1
August	90·9	100·3	85·2	127·4
September	90·7	100·3	83·8	126·9
October	90·4	100·3	82·7	124·9
November	90·1	100·2	81·9	122·9
December	89·7	100·1	80·7	117·4
1957—				
January	89·7	99·9	80·4	113·7
February	89·8	99·0	79·8	113·6
March	90·0	99·0	79·8	111·1
April	90·0	99·0	78·6	106·9
May	89·9	99·1	78·4	104·5
June	89·5	99·0	77·6	102·6
July	89·2	98·7	76·7	105·5
August	89·0	98·8	75·6	103·1
September	89·0	98·0	74·0	99·3
October	89·0	97·7	73·6	97·4
November	89·1	97·7	73·3	98·7
December	89·1	97·6	72·6	94·2

(1) Average of 39 weeks ending December.

Source: Reserve Bank of India

STATEMENT IX—*Variable Yield Industrial Securities—Index Numbers of Selected Industries.*

(i) Base : 1938=100

Average of weeks	Cotton, Woollen and Silk Mills	Jute Mill	Coal	Iron and Steel	Planta-tions	Sugar	Cement	Paper
1	2	3	4	5	6	7	8	9
1951	170·3	102·4	131·6	171·5	179·5	97·8	142·3	128·7
1952	143·0	83·0	96·6	134·7	140·6	87·5	141·5	116·4
1953(1)	130·5	72·5	87·8	131·6	110·8	79·5	141·8	114·0

(ii) Base: 1949-50=100

Average of weeks	Cotton Woollen and Silk Mills	Jute Mills	Coal	Iron and Steel	Planta-tions	Sugar and Breweries	Cement	Paper
1	2	3	4	5	6	7	8	9
1953(2)	93·8	82·3	78·0	103·8	87·9	84·6	114·2	153·8
1954	108·1	89·7	81·0	133·1	135·2	96·5	134·8	201·4
1955	112·1	98·0	80·3	152·8	188·6	104·0	157·6	236·0
1956	133·8	77·2	80·8	151·5	174·0	106·9	178·4	276·3
1957	112·6	55·3	69·0	120·3	139·3	96·1	147·3	224·3
1956—								
January	126·5	91·2	86·0	156·0	170·4	108·7	175·5	289·4
February	122·8	89·6	84·3	141·8	167·2	106·1	166·9	281·2
March	128·5	82·9	82·4	144·9	171·9	107·6	172·7	288·0
April	130·9	76·6	81·7	149·3	182·9	104·8	175·2	290·5
May	132·3	75·1	80·9	154·8	183·5	104·6	178·5	285·9
June	133·7	77·0	79·4	160·9	180·8	105·3	181·6	287·8
July	137·8	73·0	79·9	155·2	181·5	106·5	179·9	278·3
August	144·2	73·5	78·7	159·8	177·1	107·9	184·6	274·1
September	142·5	76·1	79·7	156·8	173·2	109·1	188·5	266·6
October	138·1	75·4	80·0	151·4	170·7	109·0	183·5	261 9
November	136·4	71·5	79·3	150·4	166·0	108·0	181·3	260·1
December	131·7	64·4	76·8	137·2	162·4	105·0	172·5	252·1
1957—								
January	127·7	59·2	74·4	129·5	156·2	100·7	169·4	248·4
February	126·1	61·7	74·9	130·2	155·5	99·9	159·9	252·6
March	123·6	59·5	72·4	123·4	157·0	99·7	154·8	239·9
April	118·6	55·2	69·8	120·6	150·7	96·3	147·7	230·4
May	115·3	54·7	69·5	117·2	139·7	93·4	145·0	227·2
June	110·2	52·8	69·7	117·4	134·8	92·3	144·0	224 5
July	112·7	53·7	69·6	126·3	140·0	96·1	149·3	227·6
August	111·2	51·9	66·2	119·0	137·1	95·0	146·3	224·5
September	106·0	52·8	65·5	113·8	128·0	92·8	139·7	198·3
October	102·1	51·9	65·2	111·8	124·0	92·1	137·7	199·8
November	100·4	52·8	65·0	117·6	125·9	97·2	137·8	208·0
December	97·0	52·	65·7	117·3	122·6	97·6	136·1	210·4

Source: Reserve Bank of India

(1) Average of first three months.
(2) Average of nine months endi December 1953

STATEMENT X—*Currency Circulation in India*

(Rs. lakhs)

	Circulation (as on last Friday)			Net increase(+) or decrease(—) in total circulation over the period
	Notes(1)	Rupee coin(2)	Total	
1	2	3	4	5
1952	1,048,95	116,47	1,165,42	—58,01
1953	1,082,35	113,50	1,195,85	+30,43
1954	11,60,74	111,51	1,272,25	+76,40
1955	1,319,80	117,46	1,437,26	+165,01
1956	1,423,18	115,05	1,538,23	+100,97
1957	1,463,89	112,45	1,576,34	+38,11
1956—				
January	1,336,84	118,72	1,455,56	+18,30
February	1,360,53	120,23	1,480,76	+25,20
March	1,424,23	123,45	1,547,68	+66,92
April	1,462,53	124,94	1,587,47	+39,79
May	1,463,59	126,32	1,589,91	+2,44
June	1,432,09	125,18	1,557,27	—32,64
July	1,401,67	121,25	1,522,92	—34,35
August	1,381,86	118,40	1,500,26	—22,66
September	1,366,44	115,07	1,481,51	—18,75
October	1,376,02	114,53	1,490,55	+9,04
November	1,395,66	114,09	1,509,75	+19,20
December	1,423,18	115,05	1,538,23	+28,48
1957—				
January	1,442,63	115,32	1,557,95	19,72
February	1,463,36	117,39	1,580,75	+22,80
March	1,483,20	118,30	1,601,50	+20,75
April	1,519,02	118,06	1,637,08	+35,58
May	1,527,11	120,64	1,647,75	+10,67
June	1,499,28	119,92	1,619,20	—28,55
July	1,455,93	115,32	1,571,25	—47,95
August	1,427,73	112,89	1,540,62	—30,63
September	1,428,21	111,02	1,539,23	—1,39
October	1,443,29	111,73	1,555,02	+15,79
November	1,435,76	111,21	1,546,97	—8,05
December	1,463,89	112,45	1,576,34	+29,37

Source Reserve Bank of India.

(1) From 1951, figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment.

(2) Quarternary and nickel rupee coins and Govt. of India one rupee notes.

STATEMENT XI—*Money Supply with the Public.*

(Rs. lakhs)

Last Friday(1) 1	Currency(2) 2	Deposit money 3	Total 4
1952	1,216,57	587,22	1,803,79
1953	1,199,25	565,46	1,764,71
1954	1,229,43	564,54	1,793,97
1955	1,311,77	608,86	1,920,63
1956	1,505,09	679,23	2,184,32
1957	1,556,50	756,39	2,312,89
1956–			
January	1,407,67	686,55	2,094,21
February	1,435,69	673,28	2,108,97
March	1,505,09	679,23	2,184,32
April	1,538,18	689,93	2,228,11
May	1,539,66	686,31	2,225,97
June	1,504,48	684,65	2,189,13
July	1,474,28	673,62	2,147,90
August	1,451,77	683,15	2,134,92
September	1,435,95	673,46	2,109,41
October	1,442,52	680,48	2,123,,00
November	1,462,01	689,45	2,151,46
December	1,485,34	693,31	2,178,65
1957—			
January	1,509,90	711,57	2,221,47
February	1,528,31	736,24	2,264,70
March	1,556,50	756,39	2,312,89
April	1,586,44	775,93	2,362,37
May	1,596,43	785,55	2,381,99
June	1,562,85	781,19	2,344,04
July	1,522,11	785,30	2,307,41
August	1,490,78	747,14	2,237,92
September	1,491,00	742,79	2,233,79
October	1,497,11	783,73	2,280,84
November	1,498,73	744,39	2,243,11
December	1,526,79*	748,92	2,275,71

Source: Reserve Bank of India.

(1) Annual figures relate to last Friday of March of the year stated.
(2) Excluding small coin but including *Hali Sicca* currency. 'Notes in circulation' included are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment.
*Provisional.

STATEMENT XII-A—*The Reserve Bank of India, Issue Department*

(Rs. lakhs)

Last Friday	Notes in circulation	Total notes issued	Assets- Gold coin and bullion (1)	Foreign securities	Rupee coin (2)	Rupee securities
1	2	3	4	5	6	7
1952	1,092,12	1,112,90	40,02	538,15	84,67	450,06
1953	1,125,52	1,135,89	40,02	578,15	96,34	421,38
1954	1,200,49	1,226,50	40,02	663,15	105,58	417,75
1955	1,361,98	1,374,01	40,02	686,80	108,44	538,68
1956	1,466,07	1,475,21	117,76	447,30	124,80	785,35
1957	1,506,79	1,523,31	117,76	275,23	133,06	997,26
1956—						
January	1,379,07	1,402,04	40,02	667,07	106,60	588,36
February	1,402,85	1,415,45	40,02	667,16	105,04	603,23
March	1,466,64	1,478,41	40,02	656,42	103,16	678,82
April	1,505,01	1,527,36	40,02	681,45	107,20	698,69
May	1,506,13	1,525,11	40,02	681,45	104,89	698,75
June	1,474,67	1,502,94	40,02	646,55	107,69	708,68
July	1,444,28	1,477,27	40,02	616,68	111,96	708,62
August	1,424,51	1,457,15	40,02	606,68	116,74	693,72
September	1,409,23	1,450,54	40,02	586,74	120,07	703,72
October	1,418,89	1,451,96	117,76	492,02	121,49	720,69
November	1,438,54	1,465,74	117,76	457,24	125,27	765,47
December	1,466,07	1,475,21	117,76	447,30	124,80	785,35
1957—						
January	1,485,52	1,509,08	117,76	427,43	123,77	840,13
February	1,506,25	1,527,33	117,76	412,52	122,01	875,03
March	1,526,09	1,537,86	117,76	412,52	122,61	884,97
April	1,561,91	1,582,48	117,76	412,52	127,30	924,90
May	1,570,00	1,596,00	117,76	412,52	125,85	939,87
June	1,542,17	1,581,67	117,76	412,52	126,58	924,81
July	1,498,83	1,535,27	117,76	400,52	130,18	886,81
August	1,470,63	1,513,83	117,76	360,52	133,58	901,97
September	1,471,11	1,515,44	117,76	326,62	135,20	935,87
October	1,486,20	1,513,97	117,76	311,71	133,72	950,78
November	1,478,66	1,515,37	117,76	280,19	135,13	983,29
December	1,506,79	1,523,31	117,76	275,23	133,06	997,26

Source: Reserve Bank of India.

(1) Revalued at Rs. 62·50 per tola from October 1956, the earlier rate being Rs. 21·24 per tola.

(2) Include Government of India one rupee notes.

STATEMENT XII-B—*The Reserve Bank of India, Banking Department.*

(Rs. lakhs)

Last Friday	Deposits			Assets			
	Governments	Banks	Others	Balances held abroad (1)	Loans and advances to Govts.	Bills purchased and discounted	Investments
1	2	3	4	5	6	7	8
1952	178,34	45,09	59,76	167,34	3,30	7,01	99,45
1953	129,03	45,99	56,93	144,46	1,84	11,35	74,72
1954	71,63	69,13	34,39	67,64	1,67	4,01	75,34
1955	64,63	57,87	15,81	48,30	3,66	12,07	50,54
1956	65,24	58,09	13,87	82,61	7,27	3,30	61,82
1957	66,55	70,69	113,70	22,42	35,03	2,70	245,12
1956—							
January	72,49	65,24	17,10	67,05	1,79	4,92	51,17
February	82,63	55,16	15,98	67,66	3,60	4,23	49,29
March	129,37	53,24	16,68	89,72	..	12,23	47,19
April	85,61	50,84	17,18	44,20	1,79	12,43	44,19
May	65,82	51,21	12,53	30,69	2,19	8,86	35,38
June	70,01	54,49	13,08	34,97	2,37	8,36	43,04
July	83,00	53,35	12,22	42,75	5,16	3,28	49,39
August	68,68	56,56	12,27	24,94	8,06	3,87	50,12
September	90,45	52,64	12,46	28,33	2,84	3,89	32,34
October	81,96	51,39	12,76	90,23	3,88	4,77	55,14
November	65,93	51,07	13,37	79,29	2,96	7,09	59,61
December	65,24	58,09	13,87	82,61	7,27	3,30	61,82
1957—							
January	64,79	51,76	12,68	83,18	7,48	1,11	49,62
February	65,22	56,48	42,27	106,35	7,72	2,03	51,65
March	96,52	57,77	74,28	114,31	7,65	2,98	121,22
April	59,21	67,60	75,13	92,39	16,27	12,48	112,42
May	60,48	68,24	86,17	42,55	19,00	2,27	164,39
June	60,05	82,15	119,78	40,82	23,88	13	216,81
July	56,09	103,83	149,04	19,69	26,19	3,06	280,81
August	62,54	102,80	108,58	19,34	37,28	4,17	215,39
September	59,72	100,01	109,97	25,90	41,79	57	201,27
October	63,57	106,91	111,73	15,39	49,92	3,75	241,35
November	62,25	109,02	110,31	29,30	29,01	1,11	259,68
December	66,55	70,69	113,70	22,42	35,03	2,70	245,12

(1) Including cash and short-term securities. *Source*: *Reserve Bank of India*

STATEMENT XIII—*Business of Scheduled Banks in India*

(Rs. lakhs)

Last Friday	Demand and time liabilities (1)			Cash in hand and balances with Reserve Bank	Advances	Bills purchased and discounted	
	Demand	Time	Total			Inland	Foreign
1	2	3	4	5	6	7	8
1952	517,45	313,27	830,72	78,53	438,83	29,50	..
1953	508,10	330,02	838,12	76,66	415,67	45,43	..
1954	566,84	365,28	932,12	103,74	466,94	43,69	27,85
1955	608,90	415,20	1,024,10	99,11	514,07	68,73	47,27
1956	643,55	457,16	1,100,71	90,53	623,19	111,40	54,05
1957	701,76	667,28	1,369,04	107,39	711,62	98,40	46,60
1956—							
January	642,26	406,44	1,048,70	98,90	542,32	86,57	47,90
February	626,50	414,93	1,041,43	88,03	555,16	96,86	45,02
March	630,83	412,33	1,043,16	84,73	612,45	101,87	46,77
April	638,60	424,34	1,062,94	86,27	605,53	105,12	46,57
May	637,78	432,33	1,070,11	88,24	613,59	109,09	46,25
June	630,98	449,91	1,080,89	91,70	613,39	98,62	47,31
July	627,97	453,43	1,081,40	88,33	597,35	95,69	47,18
August	637,35	458,56	1,095,91	89,10	587,64	101,44	45,89
September	626,94	455,31	1,082,25	84,25	611,12	96,85	46,45
October	633,35	453,89	1,087,24	87,31	611,91	96,75	51,60
November	638,71	456,25	1,094,96	86,70	596,98	116,39	52,95
December	643,55	457,16	1,100,71	90,53	623,19	111,40	54,05
1957—							
January	663,72	459,62	1,123,34	82,91	657,52	115,32	53,57
February	686,50	465,42	1,151,92	88,78	695,57	104,93	57,07
March	703,30	471,60	1,174,90	88,24	723,37	117,51	58,92
April	720,09	500,41	1,220,50	103,30	725,53	126,18	57,43
May	719,32	519,47	1,238,79	98,56	743,20	131,50	58,20
June	712,63	548,84	1,261,46	122,46	745,93	177,96	53,96
July	723,39	564,10	1,287,49	127,53	708,84	120,43	57,19
August	697,19	590,87	1,288,06	138,69	682,32	115,39	54,80
September	701,37	610,91	1,312,28	125,51	677,01	110,43	51,78
October	732,13	626,84	1,358,97	143,67	696,56	113,47	57,74
November	701,04	664,13	1,365,18	144,68	685,31	104,56	50,14
December	701,76	667,28	1,369,04	107,39	711,62	98,40	46,60

(1) Net of inter-bank borrowings.

Source: Reserve Bank of India.

STATEMENT XIV—*Monthly Cheque Clearances and Call Money Rates.*

(Rs. lakhs)

Monthly average or calendar months	Monthly cheque clearance, All-India (Rs. Crores)	Inter-bank call rates* Per cent per annum	
		Bombay	Calcutta
1	2	3	4
1952	571·1	2 1/32	2 1/16
1953	550·3	2 1/4	2 7/16
1954	588·7	2 3/8	2 19/32
1955	651·6	2 3/4	2 7/8
1956	703·4	3 3/16	3 10/16
1957	740·9	2 1/4—4 3-4	2 7/8—5 1/8
1956—			
January	607·7	2 15/16	3 5/32
February	751·9	2 15/16	3 1/4
March	764·9	3 3/16	3 7/8
April	740·6	3 1/4	3 3/4
May	710·5	3 1/8	3 5/8
June	659·6	3 1/8	3 5/8
July	669·9	3 1/8	3 5/8
August	645·7	3 1/8	3 5/8
September	701·3	3 3/16	3 3/4
October	699·9	3 1/4	3 7/8
November	725·1	3 5/16	3 13/16
December	764·2	3 9/16	3 11/16
1957—			
January	841·3	3 7/16—4 17/64	3 3/8—4 3/8
February	732·9	3 7/16—4 5/16	3 3/8—4 5/8
March	835·1	3 7/16—4	3 5/8—4 3/8
April	793·9	3 7/16—4 7/16	3 1/2—4 1/4
May	769·3	3 7/16—4 7/16	3 1/8—4 1/4
June	679·8	3 7/16—4 3/4	3 1/2—4 1/4
July	748·3	3 3/16—4 3/16	3 3/4—4 1/4
August	660·2	3 3/16—4 1/4	3 3/4—4 1/4
September	649·1	2 1/4—4 7/16	3 5/8—4 1/2
October	589·4	2 1/4—4 7/16	3 3/4—4 7/8
November	818·1	2 3/4—4 7/16	2 7/8—5 1/8
December	774·8	2 3/4—4 7/16	2 3/4—4 1/2

*Data prior to January 1957 represent averages of Friday rates obtained from State Bank of India, Brokers and Exchange Bank Associations. Those from January 1957 provide a range of interest rates for various types of deposits quoted by selected Scheduled Banks during the respective periods.

Source : *Reserve Bank of India*

STATEMENT XV—*India's Foreign Trade* (1)

(Rs. lakhs)

Monthly averages	Exports of Indian Merchandise (By Sea and Air)				Exports of foreign Merchandise (By Sea and Air)
	Total exports	Food, drink and tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	
1	2	3	4	5	6
1952	48,84	12,20	11,90	24,28	47
1953	43,20	12,83	9,85	20,20	48
1954	45,98	15,40	8,77	21,39	42
1955	49,67	14,24	13,99	21,09	46
1956	50,07	16,71	11,27	20,01	56

Calendar months	Exports of Indian Merchandise (By Sea, Air and Land)											Exports of Foreign Merchandise (By Sea, Air and Land)
	Total exports	Food	Beverages and tobacco	Crude materials inedible, except fuels	Mineral fuels, lubricants and related materials	Animal and vegetable oils and fats	Chemicals	Manufactured goods classified chiefly by materials	Machinery and transport equipment	Miscellaneous manufactured articles	Miscellaneous transactions and commodities n.e.s.	
1	2	3	4	5	6	7	8	9	10	11	12	13
1957—												
January	54,97	15,47	26	13,08	67	95	52	22,65	15	95	27	30
February	54,14	19,95	31	11,23	59	1,25	45	19,40	12	61	23	30
March	53,55	14,32	1,46	11,92	68	1,06	41	22,15	17	1,10	28	39
April	47,33	8,79	3,09	12,19	68	1,42	39	19,30	14	95	38	51
May	52,54	11,87	2,63	11,04	1,03	1,11	33	23,05	24	73	51	29
June	48,09	8,19	1,26	12,82	1,11	1,46	36	21,56	24	66	43	25
July	55,44	16,04	1,10	9,24	1,27	1,04	56	24,68	20	84	47	35
August	59,87	18,40	83	9,67	1,32	1,11	59	22,29	11	1,36	4,19	38
September (*a*)	61,16	17,60	78	9,40	1,51	1,36	48	24,82	13	81	4,27	39
October (*a*)	52,39	16,74	32	7,51	98	77	52	17,29	12	68	7,46	1,11
November	..	..	..	..	..	..	..	..	..	..	..	..
December	..	..	..	..	..	..	..	..	..	..	..	..

(1) Trade arising in the Andaman and Nicobar Islands and the Laccadive, Minicoy and Amindivi Islands is not included. Also exclusive of land trade with Nepal, Tibet, Sikkim and Bhutan. Imports exclude the value of certain Government Stores, awaiting adjustments, Imports and re-exports figures are inclusive of transit trade up to December, 1956, except those of Pakistan and Afghanistan which are excluded from April, 1952. From January, 1957 all direct transit trade is excluded.

(*a*) Provisional

Source: Director General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry.

STATEMENT XV—*India's Foreign Trade* (1)—contd.

(Rs. lakhs)

Monthly averages	Imports of Forign Merchandise (By Sea and Air)			
	Total Imports	Food, drink and tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured
1	2	3	4	5
1952	64,65	19,45	19,19	25,20
1953	46,92	9,24	13,78	22,39
1954	49,74	7,96	15,86	24,69
1955	53,82	6,37	13,30	32,10
1956	65,38	3,56	15,05	46,24

Calendar months	Imports of Foreign Merchandise (By Sea, Air and Land)										
	Total Imports	Food	Beverages and tobacco	Crude materials inedible, except fuels	Mineral fuels, lubricants and related materials	Animal and vegetable oils and fats	Chemicals	Manufactured goods classified chiefly by materials	Machinery and transport equipment	Miscellaneous manufactured articles	Miscellaneous transactions and commodities n.e.s.
1	2	3	4	5	6	7	8	9	10	11	12
1957—											
January	78,00	8,47	33	10,57	2,82	46	6,46	23,39	22,75	2,30	45
February	70,60	5,09	22	10,98	5,10	29	5,73	21,70	19,14	1,86	49
March	79,41	5,11	32	10,34	5,94	69	6,89	23,18	24,17	2,22	55
April	89,40	3,52	15	10,63	10,23	67	7,80	26,31	27,57	1,97	55
May	85,38	3,74	23	11,07	13,95	37	6,36	23,69	23,38	2,08	51
June	86,23	5,24	12	10,74	7,92	66	6,08	28,89	23,89	2,13	56
July	81,13	4,50	7	10,18	8,34	41	8,16	21,89	25,12	2,00	46
August	80,98	10,78	19	7,50	7,99	58	6,72	22,80	22,24	1,62	56
September, (*a*)	83,29	7,05	9	11,03	9,57	47	6,75	21,15	25,09	1,40	69
October (*a*)	73,06	7,11	22	6,92	6,54	35	5,14	20,82	24,38	1,09	49
November	..	..	..	..	..	..	..	..	..	..	..
December	..	..	..	..	..	..	..	..	..	..	..

(1) Please see foot note (1) on page 200 *ante*.
(*a*) Provisional.

Source : *Director General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry.*

STATEMENT XVI.—*India's Balance of Trade in Merchandise (by Sea, Air and Land)*

(Rs. lakhs)

Monthly averages or calendar months	Exports(2) including Re-exports	Imports(2)	Balance (2)
1	2	3	4
1952	51,54	67,39	—15,97
1953	44,27	48,82	—4,55
1954	46,92	51,55	—4,65
1955	50,65	56,09	—5,43
1956	51,12	67,39	—16,25
1957	..	..	..
1956—			
January	46,93	58,94	—11,99
February	52,00	68,83	—16,81
March	65,66	76,52	—10,88
April	40,26	59,91	—19,60
May	46,02	67,73	—21,68
June	47,45	64,17	—16,69
July	43,03	59,40	—16,36
August	51,30	66,54	—15,25
September	51,06	76,90	—25,80
October	54,33	70,47	—16,13
November	57,47	69,96	—12,48
December	57,95	69,36	—11,33
1957—			
January	55,27	78,00	—22,73
February	54,44	70,60	—16,16
March	53,94	79,41	—25,47
April	47,84	89,40	—41,56
May	52,83	85,38	—32,55
June	48,34	86,23	—37,89
July	55,79	81,13	—25,34
August	60,25	80,98	—20,73
September (*a*)	61,55	83,29	—21,74
October (*a*)	53,50	73,06	—19,56
November	..	..	..
December	..	..	..

(1) Excludes Transit trade.
(2) Please see foot-note (1) on page 200 *ante*.
(*a*) Provisional.

Source : Director General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry.

STATEMENT XVII.—*Index Numbers of Quantum and Value per Unit of Imports and Exports (by Sea, Air and Land)*

(Base : 1952-53=100)

Monthly averages or calendar months	Quantum		Value per Unit	
	Imports	Exports	Imports	Exports
1	2	3	4	5
1954	101	102	89	95
1955	109	113	88	93
1956	136	109	89	94
1957	..	..	..	..
1956—				
January	124	102	85	95
February	132	114	86	93
March	150	142	89	90
April	121	93	88	88
May	139	106	89	88
June	128	105	90	91
July	122	96	87	90
August	134	112	89	93
September	154	106	89	97
October	143	108	89	102
November	136	120	92	97
December	134	114	93	102
1957—				
January	150	123	92	94
February	136	116	93	98
March	148	125	96	90
April	165	107	97	93
May	151	120	101	92
June	150	110	103	92
July	..	..	..	..
August	..	..	..	..
September	..	..	..	..
October	..	..	..	..
November	..	..	..	..
December	..	..	..	..

Source : Director General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry.

STATEMENT XVIII—*India's Balance of Payments (Current Account)*

Net credit +
Net debit —

(In crores of rupees)

Period	Merchandise	Non-monetary gold	Invisibles*		Donations		Current account	Errors and omissions**
			Investment income	Other	Official	Other		
1	2	3	4	5	6	7	8	9
1952 . . .	—122·7	—1·0	—9·4	+49·8	+12·1	+45·8	—25·4	—34·[illegible]
1953 . . .	—54·9	—	—4·2	+40·7	+18·4	+43·4	+43·4	+1·7
1954 . . .	—91·9	—	—3·5	+44·1	+15·2	+32·8	—3·3	+0·6
1955 . . .	—76·2	—	—4·1	+51·0	+34·7	+34·9	+40·3	+5·2
1956 . . .	—347·5	—	+12·5	+47·7	+36·6	+41·5	—209·2	—2·4
1957								
1956—								
First quarter .	—36·5	—	+3·5	+13·0	+11·1	+10·4	+1·5	—15·7
Second quarter	—76·7	—	+3·3	+9·2	+9.6	+10·1	—44·5	—7·1
Third quarter	—111·8	—	+2·3	+9·7	+8·3	+10·1	—81·4	+17·7
Fourth quarter	—122·5	—	+3·4	+15·8	+7·6	+10·9	—84·5	+2·2
1957—								
First quarter .	—128·5	—	+2·6	+19·6	+14·3	+11·2	—81·8	—17·4
Second quarter	—118·5	—	—0·3	+17·9	+5·0	+11·0	—84·9	—7·7
Third quarter .	162·2	—	+0·7	+12·3	+1·5	+9·2	—138·5	+23·7
Fourth quarter	..	—	..	..	..	..	..	..

*Excluding ' Donations '.

**A reconciliation entry to balance the difference between total credits and debits.

Source : *Reserve Bank of India.*

For further details reference may be made to the publication " India's Balance of Payments, 1948-49—1955-56 " issued by the Reserve Bank of India.

STATEMENT XIX—*Regional Pattern of India's Balance of Payments (Current Account)*

Net credit +
Net debit —

(In crores of rupees)

Period 1	Sterling area 2	Dollar area 3	OEEC countries 4	Rest of the world 5	Total 6
1952	+126·2	—111·8	— 20·7	—19·1	—25·4
1953	+57·8	+18·8	—24·3	—8·9	+43·4
1954	+49·3	+9·5	—73·7	+11·6	—3·3
1955	+56·1	+41·4	—76·1	+18·9	+40·3
1956	—25·0	+6·8	—171·9	—19·1	—209·2
1957	..	..	..	..	..
1956—					
First quarter . . .	+16·0	+13·7	—23·2	—5·0	+1·5
Second quarter . .	+2·3	—0·2	—44·1	—2·5	—44·5
Third quarter . .	—23·9	—0·5	—50·5	—6·5	—81·4
Fourth quarter . .	—19·5	—6·2	—54·1	—5·0	—84·8
1957—					
First quarter . . .	+5·9	—24·5	—53·2	—10·0	—81·8
Second quarter . . .	—26·1	+31·1	—70·1	—19·8	—84·9
Third quarter . . .	—22·7	—30·4	—64·9	—20·5	—138·5
Fourth quarter . . .	..	..	..	..	..

Source : Reserve Bank of India.

SECTION V

INCOME-TAX PAYABLE AS PERCENTAGE OF INCOME

Statement showing in selected cases tax payable and as a percentage of income or income ranging from Rs. 3,000 to Rs. 30,00,000

Income	Tax at 1958-59 rates on Total Income							
	MARRIED PERSONS				MARRIED WITH ONE CHILD			
	Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholy unearned	Percentage
1 Rs.	2 Rs.	3	4 Rs.	5	6 Rs.	7	8 Rs.	9
3,000	..	..	..	..	..	..	..	..
3,200	6	0·2	6	0·2	..	..	..	..
3,600	18	0·5	18	0·5	9	0·2	9	0·2
4,200	36	0·9	36	0·9	27	0·6	27	0·6
4,800	54	1·1	54	1·1	45	0·9	45	0·9
5,000	60	1·2	60	1·2	51	1·0	51	1.0
6,000	120	2·0	120	2.0	111	1·8	111	1·8
7,200	192	2·7	192	2·7	183	2·5	183	2·5
8,400	305	3·6	349	4·2	296	3·5	338	4.0
9,600	419	4·4	479	5.0	409	4·3	468	4·9
10,000	457	4·6	522	5·2	447	4·4	510	5·1
12,000	688	5·7	786	6·5	678	5·6	775	6·5
13,200	848	6·4	970	7·3	839	6·4	959	7·3
14,400	1,025	7·1	1,171	8·1	1,015	7·0	1,160	8·1
15,000	1,113	7·4	1,272	8·5	1,103	7·4	1,261	8·4
16,800	1,453	8·6	1,661	9·9	1,444	8·6	1,650	9·8
18,000	1,680	9·3	1,920	10·7	1,670	9·3	1,909	10·6
20,000	2,058	10·3	2,352	11·8	2,048	10·2	2,341	11·7
24,000	3,381	14·1	3,864	16·1	3,381	14·1	3,864	16·1
25,000	3,696	14·8	4,224	16·9	3,696	14.8	4,224	16·9
30,000	5,796	19·3	6,624	22·1	5,796	19·3	6,624	22·1
36,000	8,631	24·0	9,864	27·4	8,631	24·0	9,864	27·4
40,000	10,521	26·3	12,024	30·1	10,521	26·3	12,024	30·1
42,000	11,676	27·8	13,344	31·8	11,676	27·8	13,344	31·8
45,000	13,408	29·8	15,324	34·1	13,408	29·8	15,324	34·1
48,000	15,141	31·5	17,304	36·0	15,141	31·5	17,304	36·0
55,000	19,446	35·4	22,224	40·4	19,446	35·4	22,224	40·4
60,000	22,596	37·7	25,824	43·0	22,596	37·7	25,824	43·0
66,000	26,691	40·4	30,504	46·2	26,691	40·4	30,504	46·2
70,000	29,421	42·0	33,624	48·0	29,421	42·0	33,624	48·0
72,000	30,891	42·9	35,304	49·0	30,891	42·9	35,304	49·0
84,000	39,711	47·3	45,384	54·0	39,711	47·3	45,384	54·0
85,000	40,446	47·6	46,224	54·4	40,446	47·6	46,224	54·4
90,000	44,121	49·0	50,424	56·0	44,121	49·0	50,424	56·0
96,000	48,531	50·6	55,464	57·8	48,531	50·6	55,464	57·8
1,00,000	51,471	51·5	58,842	58·8	51,471	51·5	58,824	58·8
1,50,000	89,971	60·0	1,00,824	67·2	89,971	60·0	1,00,824	67·2
2,00,000	1,28,471	64·2	1,42,824	71·4	1,28,471	64·2	1,42,824	71·4
2,50,000	1,66,971	66·8	1,84,824	73·9	1,66,971	66·8	1,84,824	73·9
3,00,000	2,05,471	68·5	2,26,824	75·6	2,05,471	68·5	2,26,824	75·6
3,50,000	2,43,971	69·7	2,68,824	76·8	2,43,971	69·7	2,68,824	76·8
4,00,000	2,82,471	70·6	3,10,824	77·7	2,82,471	70·6	3,10,824	77·7
5,00,000	3,59,471	71·9	3,94,824	79·0	3,59,471	71·9	3,94,824	79·0
10,00,000	7 44,471	74·4	8,14,824	81·5	7,44,471	74·4	8,14,824	81·5
20,00,000	15,14,471	75·7	16,54,824	82·7	15,14,471	75·7	16,54,824	82·7
30,00,000	22,84,471	76·1	24,94,824	83·2	22,84,471	76·1	124,94,824	83·2

Statement showing in selected cases tax payable and as a percentage of income or incomes ranging from Rs. 3,000 to Rs. 30,00,000—concld.

Income	Tax at 1958-59 rates on Total Income							
	MARRIED WITH MORE THAN ONE CHILD				UNMARRIED			
	Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage
1	10	11	12	13	14	15	16	17
Rs.	Rs.		Rs.		Rs.		Rs.	
3,000	..	..	..	..	..	..	..	..
3,200	..	..	..	..	66	2·1	66	2·1
3,600	..	..	..	..	78	2·2	78	2·2
4,200	18	0·4	18	0·4	96	2·3	96	2.3
4,800	36	0·7	36	0·7	114	2·4	114	2·4
5,000	42	0·8	42	0·8	120	2·4	120	2·4
6,000	102	1·7	102	1·7	180	3·0	180	3·0
7,200	174	2·4	174	2·4	252	3·5	252	3·5
8,400	287	3·4	328	3·9	369	4·4	421	5·0
9,600	400	4·2	457	4·7	482	5·0	551	5·7
10,000	438	4·3	500	5·0	520	5·2	594	5·9
12,000	669	5·6	764	6·4	751	6·3	858	7·1
13,200	829	6·3	948	7·2	911	7·0	1,042	7·9
14,400	1,006	7·0	1,150	8·0	1,088	7·6	1,243	8·6
15,000	1,094	7·3	1,250	8·3	1,176	7·8	1,344	9·0
16,800	1,434	8·5	1,639	9·8	1,516	9·0	1,733	10·3
18,000	1,661	9·2	1,898	10·5	1,743	9·7	1,992	11·1
20,000	2,039	10·2	2,330	11·6	2,121	10·6	2,424	12·1
24,000	3,381	14·1	3,864	16·1	3,381	14·1	3,864	16·1
25,000	3,696	14·8	4,224	16·9	3,696	14·8	4,224	16·9
30,000	5,796	19·3	6,624	22·1	5,796	19·3	6,624	22·1
36,000	8,631	24·0	9,864	27·4	8,631	24·0	9,864	27·4
40,000	10,521	26·3	12,024	30·1	10,521	26·3	12,024	30·1
42,000	11,676	27·8	13,344	31·8	11,676	27·8	13,344	31·8
45,000	13,408	29·8	15,324	34·1	13,408	29·8	15,324	34·1
48,000	15,141	31.5	17,304	36·0	15,141	31·5	17,304	36·0
55,000	19,446	35·4	22,224	40·4	19,446	35·4	22,224	40·4
60,000	22,596	37·7	25,824	43·0	22,596	37·7	25,824	43·0
66,000	26,691	40·4	30,504	46·2	26,691	40·4	30,504	46·2
70,000	29,421	42·0	33,624	48·0	29,421	42·0	33,624	48·0
72,000	30,891	42·9	35,304	49·0	30,891	42·9	35,304	49·0
84,000	39,711	47·3	45,384	54·0	39,711	47·3	45,384	54·0
85,000	40,446	47·6	46,224	54·4	40,446	47·6	46,224	54·4
90,000	44,121	49·0	50,424	56·0	44,121	49·0	50,424	56·0
96,000	48,531	50·6	55,464	57·8	48,531	50·6	55,464	57·8
1,00,000	51,471	51·5	58,824	58·8	51,471	51·5	58,824	58·8
1,50,000	89,971	60·0	1,00,824	67·2	89,971	60·0	1,00,824	67·2
2,00,000	1,28,471	64·2	1,42,824	71·4	1,28,471	64·2	1,42,824	71·4
2,50,000	1,66,971	66·8	1,84,824	73·9	1,66,971	66·8	1,84,824	73·9
3,00,000	2,05,471	68·5	2,26,824	75·6	2,05,471	68·5	2,26,824	75·6
3,50,000	2,43,971	69·7	2,68,824	76·8	2,43,971	69·7	2,68,824	76·8
4,00,000	2,82,471	70·6	3,10,824	77·7	2,82,471	70·6	3,10,824	77·7
5,00,000	3,59,471	71·9	3,94,824	79·0	3,59,471	71·9	3,94,824	79·0
10,00,000	7,44,471	74·4	8,14,824	81·5	7,44,471	74·4	8,14,824	82·7
20,00,000	15,14,471	75·7	16,54,824	82·7	15,14,471	75·7	16,54,824	82·7
30,00,000	22,84,471	76·1	24,94,824	83·2	22,84,471	76·1	24,94,824	83·2

N.B.—For Hindu undivided families, the amount of tax and percentages are also as shown for 'married persons' above except that such families are not liable to pay tax if the income is not more than Rs. 6,000 if there are at least two members entitled to claim partition.

ANNEXURES

ANNEXURE I.—DISTRIBUTION OF REVENUE AND EXPENDITURE

(In lakhs of Rupees)

Year	Tax Revenue	Cost of Collection	Net Tax Revenue	Net Revenue from Commercial Departments	Opium (Receipts *less* Expenditure)	Currency and Mint (Receipts *less* Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total *net* Revenue	Interest on Debt	Reduction or avoidance of Dent	Extraordinary Items	Defence Expenditure (Net)	Other Expenditure	Net Capital Outlay of Commercial Departmentmet from Revenue	Total *net* Expenditure	Surplus + Deficit —
1947-48 . .	1,76,63	3,95	1,72,68	3,28	51	—43	60	...	9,04	1,85,68	33,31	5,00	1,12	77,75	24,20	...	1,41,20	+44,48
1948-49 . . .	3,17,28	7 37	3,09,91	9,66	35	10,50	1,61	14,37	12,52	3,58,92	37,53	5,00	19,45	1,46,06	1,00,03	1	3,08,08	+50,84
1949-50 .	3,09,3	11,71	2,97,62	9,32	—4	9,14	1,36	1,33	14,30	3,33,03	34,43	5,00	11,54	1,48,86	99,96	...	2,99,79	+13,24
1950-51 . . .	3,53,61	10,25	3,43,36	10,40	1,96	9,71	2,13	70	25,20	3,93,46	32,36	5,00	7,03	1,64,13	1,25,60	12	3,34,24	+59 22
1951-52 . . .	4,56,59	12,88	4,43,71	10,29	70	8,79	1,77	5,59	23,65	4,94,50	34,00	5,00	10,91	1,70,96	1,45,45	9	3,66,41	+28,09
1952-53 . . .	3,65,02	11,02	3,54,00	8,96	55	7,22	2,91	3,91	19,90	3,97,45	31,50	5,00	10,15	1,79,52	1,32,20	15	3,58,52	+38,91
1953-54 . . .	3,43,13	10,69	3,32,44	9,33	—62	13,14	91	2,51	20,22	3,79,93	35,92	5,00	11,78	86,30	,32,46	7	3,71,43	+8,50
1954-55 . . .	3,79,75	11,33	3,68,42	9,25	58	17,42	3,86	46	20,21	4,20,20	34,72	5,00	15,25	1,86,66	1,45,02	4	386,69	+33,51
1955-56 . . .	4,06,97	12,50	3,94,47	9,24	54	19,75	2,84	11	38,89	4,65,84	38,14	5,00	10,40	1,72,23	1,99,49	4	4,25,39	+40,45
1956-57 . . .	4,89,75	14,45	4,75,30	12,15	68	19,44	5,65	1,08	32,59	5,46,89	34,06	5,00	10,40	1,92,15	2,15,88	...	4,57,49	+89,40
1957-58 (Budget) .	5,59,84	16,95	5,42,89	10,53	39	29,31	4,90	10,54	56,23	6,54,79	30,00	5,00	23,86	2,52,71	3,07,48	...	6,19,05	+35,74
1957-58 (Revised) .	5,53,85	17,34	5,36,51	7,47	1,23	29,49	6,15	...	72,97	6,53,82	32,44	5,00	13,15	2,66,05	3,32,13	...	6,48,77	+5,05
1958-59 (Budget) .	5,67,34	18,98	5,48,36	9,26	45	28,13	6,60	14,00	58,19	6,64,99	35,00	5,00	28,40	2,78,14	3,46,47	...	6,93,01	—28,02

NOTE 1.—Accounts from 1947-48 to 1956-57 have not been finally closed and the figures given here are only provisional.

NOTE 2.—Figures for 1947-48 are for the period from the 15th August 1947 to the 31st March 1948.

ANNEXURE II.—ANALYSIS OF TAX REVENUE INCLUDED IN ANNEXURE I

(In lakhs of Rupees)

Year	Revenue from Customs	Revenue from Union Excise Duties	Cost of Collection	Revenue from Taxes on Income including Corporation Tax (excluding States share)	Cost of Collection	Revenue from Estate Duty (excluding States share)	Cost of Collection	Taxes on Wealth	Cost of Collection	Expenditure Tax	Cost of Collections	Gift Tax	Cost of Collection	Other Tax Revenue	Cost of Collection	Total Gross Tax Revenue	Transfers to Central Road Fund	States, share of divisible Excise Duty	Tax Revenue retained by Union Government	Total Cost of Collection	Total net Tax Revenue
1947-48 .	72,74	24,38	1,44	78,11	95	..	..	..	..	..	..	..	:	1,27	1,52	1,77,50	87	..	1,76,63	3,95	1,72,68
1948-49 .	1,26,16	50,63	4,07	1,39,98	1,82	..	..	..	..	..	..	..	..	3,19	1,48	3,19,96	2,68	..	3,17,28	7,37	3,09,91
1949-50 .	1,24,71	67,85	8,15	1,15,37	2,01	..	..	..	..	..	..	..	..	3,60	1,55	3,11,53	2,20	..	3,09,33	11,71	2,97,62
1950-51 .	1,57,15	67,54	5,91	1,25,71	2,44	..	..	..	..	..	..	..	..	6,61	1,90	3,57,01	3,40	..	3,53,61	10,25	3,43,36
1951-52 .	2,31,69	87,78	8,35	1,34,74	2,70	..	..	..	..	..	..	..	..	7,78	1,83	4,59,99	3,40	..	4,56,59	2,88	4,43,71
1952-53 .	1,73,75	83,03	6,65	1,28,25	3,04	..	..	..	..	..	..	..	..	2,02	1,33	3,87,05	5,20	16,83	3,65,02	11,02	3,54,00
1953-54 .	1,58,71	94,98	6,11	1,07,08	3,24	..	..	..	..	..	..	..	..	2,51	1,34	3,63,28	4,60	15,55	3,43,13	10,66	3,32,44
1954-55 .	1,84,87	1,08,22	6,35	1,03,64	3,45	24	..	..	..	..	..	..	..	2,29	1,53	3,99,26	4,40	5,11	3,79,75	11,33	3,68,42
1955-56 .	1,66,70	1,45,25	6,76	1,13,24	3,81	—5	..	..	..	..	..	..	..	2,90	1,93	4,28,04	4,50	16,57	4,06,97	12,50	3,94,47
1956-57 .	1,73,23	1,90,43	7,91	1,44,17	4,26	—30	..	..	..	..	..	..	..	4,44	2,28	5,11,97	4,00	18,22	4,89,75	14,45	4,75,30
1957-58 (Budget)	1,67,60	2,59,57	9,43	1,40,42	4,60	9	9	1250	..	..	..	..	..	7,03	2,83	5,87,21	4,00	23,37	5,59,84	16,95	5,42,89
1957-58 (Revised)	1,83,00	2,64,55	9,28	1,32,97	4,62	12	10	9,00	4	..	..	..	..	8,18	3,30	5,97,82	3,76	40,22	5,53,85	,34	5,36,51
1958-59 (Budget)	1,70,00	3,04,76	9,84	1,40,03	5,11	12	10	1250	14	3,00	3	2,00	..	7,90	3,76	6,41,31	4,00	68,97	5,67,34	1y.98	5,48,36

ANNEXURE III.—ANALAYSIS OF INTEREST PAYMENTS INCLUDED IN ANNEXURE I

(In lakhs of Rupees)

Year	Interest on Ordinary Debt	Bonus on P. O. Certificates	Post Office Savings Bank	State Provident Funds	Service Funds	Railway Reserve Fund	Railway Development Fund	Railway Depreciation Fund	P. & T. Renewals Reserve Fund	Other Items	Total Interst on Unfunded Debt & other Obligations	Railways	Irrigation	Posts and Telegraphs	States	Other Heads	Total Transfers	Total Interest Payment(net)
1947-48 . .	13,73										16,34	13,29	1	53	82	11	14,76	2,31
1948-49 .	46,77	3,03	2,41	2,53	16	21	44	3,16	18	4,14	16,26	22,36	1	94	1,98	21	25,50	37,53
1949-50 . .	47,86	3,34	2,90	3,18	16	21	42	3,35	17	2,28	16,01	23,18	1	97	2,84	28,44	29,44	34,43
1950-51 . .	45,37	4,63	3,27	3,54	16	33	53	3,59	18	3,63	19,86	26,01	1	1,16	3,28	2,41	32,87	32,36
1951-52 . .	46,20	4,65	3,57	3,62	15	76	65	3,58	18	6,23	23,39	26,47	1	1,30	5,19	2,62	35,59	43,00
1952-53 .	44,57	5,18	3,94	4,03	8	1,06	76	4,09	17	6,77	26,09	26,89	1	1,53	7,84	2,89	39,16	31,50
1953-54 . .	52,57	6,05	4,21	4,65	14	1,12	74	3,61	17	4,89	25,58	27,41	1	1,73	9,95	2,93	42,03	35,82
1954-55 .	56,82	1085		4,93	11	1,17	60	3,35	17	4,67	25,85	28,28	1	1,94	15,02	2,69	47,94	34,72
1955-56 . .	62,65	12,79		5,61	..	1,35	49	3,26	19	4,69	28,38	30,32	1	2,21	17,89	2,46	52,89	38,14
1956-57 .	68,94	8,62	5,65	6,07	2	1,46	43	2,09	20	5,93	30,47	32,30	..	2,51	28,32	2,22	65,35	34,06
1957-58 (Budget) .	80,44	9,40	6,36	6,75	..	1,60	68	3,38	23	5,49	33,89	37,11	1	2,77	40,98	3,46	84,33	30,00
1957-58 (Revised) .	83,32	9,74	6,35	6,86	2	1,61	39	3,27	23	5,04	33,51	37,91	..	2,81	39,43	4,24	84,39	32,44
1958-59 (Budget) .	98,54	9,35	8,07	7,35	2	1,67	18	2,27	28	6,20	35,89	42,54	..	3,16	50,10	3,63	99,43	35,00

ANNEXURE IV.—ANALYSIS OF "OTHER EXPENDITURE" INCLUDED IN ANNEXURE I

(In lakhs of Rupees)

Year	Forest Expenditure	Civil Administration	Famine	Miscellaneous				Civil Works	Grants-in-aid, Subvention to State, etc.	Total
				Superannuation Allowance etc.	Stationery and Printing	Miscellaneous	Total			
1947-48	29	14,66	..	1,09	52	3,33	4,94	2,47	1,84	24,20
1948-49	68	35,50	..	2,50	2,32	52,07	56,89	3,94	2,96	1,00,03
1949-50	91	39,30	2	2,61	2,36	47,47	52,46	4,33	2,96	99,96
1950-51	1,36	48,80	6	6,99	1,54	44,28	52,87	6,98	15,59	1,25,60
1951-52	1,37	53,67	39	8,55	1,41	54,79	65,14	7,96	17,31	1,45,45
1952-53	92	51,71	13	7,84	2,64	38,25	48,86	7,91	22,80	1,32,20
1953-54	1,01	64,17	..	8,60	2,81	20,71	32,12	9,25	25,91	1,32,46
1954-55	1,21	75,11	..	8,87	2,31	18,68	29,86	9,05	29,79	1,45,02
1955-56	1,68	94,08	..	8,97	2,43	48,82	60,22	7,64	35,87	1,99,49
1956-57	2,14	1,22,29	7	8,97	1,27	42,34	52,65	10,54	28,26	2,15,88
1957-58 (Budget)	3,57	1,91,02	..	9,18	2,70	63,85	75,73	11,93	25,23	3,07,48
1957-58 (Revised)	3,35	1,94,71	6	9,36	2,49	62,42	74,33	12,48	47,26	3,32,13
1958-59 (Budget)	4,08	2,00,44	..	9,40	2,57	68,24	80,21	14,71	47,03	3,46,47

ANNEXURE V.—ANALYSIS OF EXPENDITURE ON "CIVIL ADMINISTRATION" INCLUDED IN ANNEXURE

(In lakhs of Rupees)

	General Administration	Audit	Administration of Justice	Jails and convict settlements	Police	Ports and Pilotage	Mercantile Marine	Lighthouses and Lightships	Ecclesiastical	Payments to Crown Representative	Tribal Areas	External Affairs	Scientific Departments	Education	Medical	Public Health	Agriculture	Rural Development	Veterinary	Co-operation	Industries	Aviation	Broadcasting	Miscellaneous Deptt.	Total
1947-48	3,39	1,03	8	3	62	28	...	3	—2	2	62	77	1,13	96	29	30	56	...	13	1	2,7	20	50	1,02	14,66
1948-49	7,40	2,27	24	11	1,69	58	...	10	5	...	99	2,86	2,85	1,44	84	56	1,87	...	37	2	6,20	1,88	1,31	1,93	35,56
1949-50	8,96	2,51	25	12	2,10	71	...	7	5	...	1,24	3,07	3,83	1,66	94	72	1,28	...	31	2	5,13	2,19	1,64	2,50	39,30
1950-51	8,89	3,52	45	19	3,04	63	...	12	—2	...	1,56	3,65	4,35	3,28	1,32	68	2,33	2	32	3	6,55	2,98	1,72	3,33	48,80
1951-52	9,94	4,01	42	20	3,80	72	...	16	...	...	1,74	3,98	5,18	4,08	1,51	80	2,21	2	32	4	6,09	2,66	1,95	3,84	53,67
1952-53	9,45	4,37	17	5	2,91	83	...	20	...	...	2,16	4,19	6,24	3,32	72	69	2,22	...	30	1	5,48	2,72	1,92	3,75	51,71
1953-54	10,06	4,81	18	4	3,16	77	...	10	...	...	3,03	4,56	6,80	4,30	74	87	2,34	...	34	1	12,38	2,39	2,09	4,21	64,17
1954-55	11,69	5,32	22	4	4,10	80	...	23	...	...	3,81	5,44	7,60	9,43	1,23	1,51	3,29	1	34	1	11,61	2,44	2,26	3,75	75,11
1955-56	12,70	5,45	21	4	4,17	89	...	35	...	...	5,01	5,99	8,92	14,23	1,46	2,36	6,57	30	51	6	13,76	2,53	2,68	5,89	94,08
1956-57	14,06	5,99	26	8	6,58	80	...	45	...	...	4,18	6,91	11,33	19,44	2,87	3,35	7,46	48	93	74	20,93	2,79	3,18	9,48	1,22,29
1957-58 (Budget)	15,68	6,62	39	13	7,95	1,05	...	43	...	...	5,40	7,13	16,43	29,13	5,01	5,78	13,51	75	1,50	1,56	53,16	3,05	3,58	12,78	1,91,02
1957-58 (Revised)	14,85	6,66	41	13	7,89	1,03	...	49	...	...	5,73	7,17	14,09	24,15	4,58	5,84	13,34	92	1,14	1.45	65,81	3,08	3,44	12,51	1,94,71
1958-59 (Budget)	16,34	7,26	42	14	8,27	46	61	48	...	...	9,41	7,50	17,79	29,63	6,15	9,88	13,87	85	1,53	1,39	46,16	3,25	3,74	15,31	2,00,44

ANNEXURE VI

List of New Items of Expenditure costing rupees Five Lakhs and above included in the Budget for 1958-59.

All New Items of expenditure are shown in thick type in Part III of the Demand giving details of provision in each Demand. For this purpose expenditure on new schemes sanctioned in previous years is also treated as new expenditure. The list below shows with brief explanatory notes the provisions in the Budget for 1958-59 in respect of important schemes costing Rs. 5 lakhs and over:—

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF COMMERCE AND INDUSTRY	
2—Industries	DEVELOPMENT OF SMALL SCALE INDUSTRIES	
	The provision has been made for grants to States for development of Small-Scale Industries	1,20,00
	DEVELOPMENT COMMISSIONER FOR SMALL SCALE INDUSTRIES	
	The provision of Rs. 18,20,000 includes Rs. 5,00,000 for securing the services of experts from the industrially advanced countries in order to make their knowledge and experience available to small scale industries in India and Rs. 1,28,000 for the training of Indian technicians abroad in the modern techniques of production	18,20
	INSTITUTES FOR SMALL SCALE INDUSTRIES	
	The provision is intended to cover the expenditure on four regional, twelve major and two branch institutes with sixty Extension Centres which provide technical assistance to Small industrial units	1,38,00
	DEVELOPMENT OF HANDLOOM INDUSTRY	
	The expenditure on the development of Handloom Industry will be met partly from the Cess on mill made cloth levied for the purpose	3,42,00
	NATIONAL SMALL INDUSTRIES CORPORATION	
	The provision is intended to meet the expenses of the Corporation which will help Small Scale Industries to sell their produce. The Corporation has been charged with the responsibility of running two Industrial Estates at Okhla and Allahabad and also Proto type Training Centre, and Proto type-cum-Production Centre proposed to be set up at New Delhi and Rajkot with the assistance of West German Government and TCM authorities respectively	60,00
	MACHINERY UNDER T. C. A. PROGRAMME	
	In pursuance of Agreement No. 55 with TCM machinery worth Rs. 10 lakhs received under the American Aid Programme will be given to the National Small Industries Corporation for use in their Industrial Estates	10,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF COMMERCE AND INDUSTRY—*contd.*	
	CONVERSION OF HANDLOOM INTO POWERLOOM	
	The provision is intended to defray expenses in connection with conversion of handloom into powerloom with a view to establishing economic efficiency of the handloom industry in pursuance of the recommendations of the Textile Enquiry Committee . . .	30,00
	TEXTILE DEVELOPMENT AND RESEARCH	
	The provision has been made for initial payments to the various Textile Research Institutes and Export Promotion Council. The entire expenditure is recoverable from the Cotton Textile Fund . . .	30,42
	CONTRIBUTION TO INDIAN STANDARDS INSTITUTE	
	The provision is intended to give financial assistance to the Institution, which formulates standards, of measurement, quality and performances of materials manufactured or consumed in India	13,83
	EXPORT PROMOTION COUNCIL	
	The provision is intended to contribute partially towards the expenses of the various councils which have been set up to promote India's exports in specified commodities	10,00
	NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION	
	The provision is intended mainly for making grants to the Corporation for the purpose of study, investigation and formulation of projects and building up a corps of technical and managerial staff	5,00
	DEVELOPMENT OF HANDICRAFTS	
	The provision has been made for grants to the State Governments and for expenditure of the All India Handicrafts Board	47,93
	HANDICRAFTS CORPORATION	
	The provision is for setting up a Handicrafts Corporation for the promotion of export of Indian Handicrafts to foreign countries	11,00
	KHADI AND VILLAGE INDUSTRIES COMMISSION	
	Provision is intended for the production of Khadi on tradional lines and Ambar Charkha and for the development of various cottage and village industries	7,15.00
	DEVELOPMENT OF SILK INDUSTRY	60,93

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF COMMERCE AND INDUSTRY—*contd.*	
5.—Miscellaneous Departments and Other Expenditure under the Ministry of Commerce and Industry.	TRADE DEMONSTRATION AND PROPAGANDA	
	The provision is intended for organising Indian Exhibitions and for participating in the exhibitions and trade fairs held in foreign countries with a view to popularising Indian products in those countries and also for supply of Cottage Industries products to exhibitions, trade centres and showrooms in addition to establishment charges therefor	54,61
106.—Capital Outlay of Ministry of Commerce and Industry.	PURCHASE OF COTTON UNDER AMERICAN AID PROGRAMME	
	Provision has been made for expenditure on import of cotton under American Aid Programme . .	3,97,80
	STATE TRADING CORPORATION (PRIVATE) LTD.	
	The provision is for increasing the share capital of the Corporation from Rs. 1 crore to Rs. 3·5 crores on account of its increased activities . . .	2,50,00
	DEVELOPMENT OF SALT WORKS	20,00
	NANGAL FERTILIZERS AND CHEMICALS (P) LTD.	
	The provision is required for increasing the share capital of the Company	4,04,96
	HEAVY ELECTRICALS (PRIVATE) LTD.	
	Provision is for increasing the share capital of the Company	1,00,00
	HINDUSTAN HEAVY ENGINEERING CORPORATION	
	Provision is for increasing the share capital of Hindustan Heavy Engineering Corporation . . .	75,20
117.—Loans & Advances by Central Govt.	HINDUSTAN INSECTACIDES (PRIVATE) LTD.	
	Loan for expansion of the Delhi Plant and the establishment of the Second DDT Factory at Alwaye .	32,46
	DEBENTURE LOANS TO HINDUSTAN CABLES	
	Loan for purchase of machinery and for extension of the factory	30,00
	SINDRI FERTILIZERS AND CHEMICAL LTD.	
	Loan is for the expansion programme of the Company	1,38,00
	M/S ATUL PRODUCTS LIMITED	
	The loan provision is for manufacturing is dyes and intermediates in collaboration with Imperial Chemical Industries Ltd.	50,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF COMMERCE AND INDUSTRY—*concld.*	
	INDUSTRIAL SCHEMES OF STATE GOVTS.	
	The provision is to provide financial assistance to State for implementation of their industrial Schemes envisaged in the Second Five Year Plan . .	2,00,00
	INDUSTRIAL ESTATES	
	Advances are made to State Governments for setting up Industrial Estates in connection with the development of Small Scale Industries . .	1,50,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF COMMUNITY DEVELOPMENT	
7—Community Development Projects and National Extension Service.	COMMUNITY DEVELOPMENT SCHEMES	
	As the period of operation of most of the Community Development Projects/Blocks of 1952-53 and 1953-54 series started under Indo-U.S. Operational Agreement No. 8 and its supplements, has been extended for utilisation of savings, necessary provision to meet the payment of Centre's share of such expenditure has been made during 1958-59	4,20,00
	NATIONAL EXTENSION SERVICE SCHEMES	
	The provision has been made for Centre's share of expenditure on the existing National Extension Service Block and also for those proposed to be started in the coming year	8,50,00
	SOCIAL EDUCATION ORGANISER'S TRAINING SCHEMES	
	There are at present 14 centres for training Social Education Organisers for Community Development Blocks and National Extension Service. Two of the Centres, which are located at Nilokheri (Punjab) and Ranchi (Bihar) are under the direct control of the Central Government. The remaining Centres are grant-in-aid centres. A total provision of Rs. 17,72,300 has been made in the Budget Estimates for 1958-59 in respect of the 14 Social Education Organiser's Training Centres	17,72
	DEVELOPMENT OFFICER'S TRAINING SCHEMES	
	Till recently there were three Centres for training of Block Development Officers for Community Development National Extension Service areas. These Centres were originally set up on 1-4-54 with financial assistance from Ford Foundation on agreed basis. These Centres have to be continued for imparting training to the Block Development Officers required up to the end of Second Plan period. All the three training centres are being run as Government Institutions. In order to meet the increased demand of Block Development Officers, one more training centre has been opened at Lucknow during the year 1957-58. A total provision of Rs. 5,56,600 has been made in the Budget Estimates for 1958-59 in respect of all the four centres	5,57
	TRAINING OF VILLAGE LEADERS AND YOUTH	
	In order to impart training to the selected village school teachers in the various faces of rural development, it has been decided that each State would have at least one peripatetic team consisting of two trainers. There will thus be 14 such teams for all the States.	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF COMMUNITY DEVELOPMENT—*contd.*	
	It has been decided to set up an organisation at the State and Central level for a programme of community activities among village people for children and youth with a view to stimulating and developing village leadership. For this purpose, it is necessary to appoint an officer (called Director of Youth Programme) at the State level especially entrusted with responsibility of organising activities among village leaders and young farmers. The expenditure on this scheme is shareable between the Ford Foundation, Central and State Governments in agreed proportion. A sum of Rs. 10,00,000 has been provided for this purpose in the budget for 1958-59 . . .	10,00
107—Capital Outlay of the Ministry of Community Development.	MATERIAL & EQUIPMENT PROCURED UNDER THE T.C.A. PROGRAMME FOR IMPLEMENTATION OF THE COMMUNITY DEVELOPMENT SCHEMES	
	The Community Development Programme is partially financed from assistance under the T.C.A. Programme in the form of material and equipment under the provisions of Indo-U.S. Operational Agreement No. 8 and its supplements. The dollar cost of such material & equipment is paid out of the Indo-American T.C. Fund commonly known as Fund 'A'. Out of the agreed assistance of 12·77 million dollars, equipment worth 11·47 million dollars has arrived and the balance is expected to be received during 1957-58. Further in pursuance of the sixth Supplement to the aforesaid agreement equipment worth 2 million dollars (Rs. 95·20 lakhs) is expected to be received during 1958-59 under the Loan Assistance Development Programme for implementation of the Community Development Schemes. Budget Provision for the year 1958-59 for both dollar and incidental rupee expenditure on such equipment has been made .	2,10,03
117—Loans and Advances by the Central Government.	LOANS TO STATES FOR COMMUNITY DEVELOPMENT SCHEMES	
	Provision has been made for grant of loans to States for Schemes of self-financing nature in Community Development Blocks	4,82,00
	LOANS TO STATES FOR NATIONAL EXTENSION SERVICE SCHEMES	
	Provision has been made for grant of loans to States for Schemes of self-financing nature in National Extension Service blocks	4,40,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1958-59
MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH		
	SURVEY PARTIES—GENERAL—OTHER CHARGES	
15—Survey of India	Cost of photography and supply of contact prints to be paid to the I.A.F. and the Air Survey Company for work done or supply made by them . . .	10,00
18—Scientific Research	GRANTS-IN-AID AND DONATION TO SCIENTIFIC SOCIETIES & INSTITUTES FOR SCIENTIFIC RESEARCH	
	The provision is intended to meet grants-in-aid to certain Research Institutes which play an important part in the scientific advancement of the country both by carrying out research activities and by training young scientists in the various specialised researches going on at the institutes	53,74
	Grants to the Council of Scientific and Industrial Research	2,50,00
	GRANTS AND DONATIONS	
	This item contains provisions in respect of the following schemes:—	
	(*i*) Indian Institute of Sciences, Bangalore :	
	For implementation of the recommendations of Reviewing Committee of the Institute appointed by the President	21,00
	(*ii*) Grants to State Governments for development of Scientific and Technical Education :	
	A provision of Rs. 63,44 thousand has been made in the Budget for 1958-59 in respect of schemes to be implemented jointly by the Central and State Governments for development of Scientific and Technical Education and Research in State Government non-University Institutions	63,44
	(*iii*) Direct Grants by Central Government for Development of Scientific and Technical Education and Research in non-Government non-University Institutions of Engineering and Technology	2,42,06
19—Other Scientific Departments.	GRANTS FOR REORGANISATION AND DEVELOPMENT OF MUSEUMS	9,40
20—Education . .	DELHI POLYTECHNIC, DELHI	
	A provision of Rs. 16,05 thousand has been made in the Budget of 1958-59 for (i) normal activities of this Institute, (ii) for implementation of the Re-organisation Scheme and (iii) for starting new courses and instituting of scholarships in the Institute . .	16,05
	INDIAN INSTITUTE OF TECHNOLOGY, BOMBAY	
	A provision of Rs. 22,00 thousand has been made in the Budget of 1958-59 for continuance of existing and creation of additional staff and purchase of equipment. The Institute is expected to start functioning from the year 1958-59	22,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*		
	GRANTS-IN-AID TO THE UNIVERSITY GRANTS COMMISSION	
	The above grant-in-aid is intended for development of higher education at the University stage. This covers grants to Universities, Block Grants to Central Universities, Grants to Constituent Colleges of Central Universities and administrative charges of the University Grants Commission	4,32,30
	SCHOLARSHIPS TO STUDENTS OF SCHEDULED CASTES, SCHEDULED TRIBES; AND OTHER BACKWARD CLASSES	
	During 1957-58 about 42,000 scholarships were awarded to Scheduled Castes, Scheduled Tribes and Other Backward Classes for their post-matriculation studies at an estimated cost of Rs. 2,00,00,000. It is proposed to award an equal number of Scholarships during 1958-59 under this scheme . . .	2,00,00
	SCHOLARSHIPS TO FOREIGNERS FOR STUDIES IN INDIA SCHOLARSHIPS UNDER THE GENERAL CULTURAL SCHOLARSHIP SCHEMES	
	With the twin object of promoting cultural relations with neghbouring countries and offering educational facilities not available in these countries the Government of India awards under this scheme scholarships every year to indigenous students of certain Asian, African and other Commonwealth countries and students of Indian origin domeciled in these countries.	18,14
	SCHOLARSHIPS FOR STUDIES IN PUBLIC SCHOOLS IN INDIA	
	The scheme was started in 1953-54 and is being continued	11,54
	GRANTS TO STATE GOVERNMENTS FOR DEVELOPMENT OF HINDI AND OTHER STATE LANGUAGES	
	The provision has been made for the payment of grants to the Governments of non-Hindi speaking States for the propagation of Hindi in their respective areas .	5,64
	OTHER GRANTS FOR DEVELOPMENT OF HINDI	
	The provision is required for the implementation of those schemes for propagation and development of Hindi which are being implemented by the Central Government under Second Five Year Plan . . .	6,31
	GRANTS TO STATE GOVTS. FOR PRE-PRIMARY ELEMENTARY AND BASIC EDUCATION, BASIC WOMEN'S EDUCATION, AUDIO VISUAL AID EDUCATION, LIBRARY DEVELOPMENT AND RELIEF OF EDUCATED UNEMPLOYED .	6,93,07
	GRANTS TO STATE GOVERNMENTS FOR SECONDARY EDUCATION, RURAL HIGHER EDUCATION, EDUCATIONAL & VOCATIONAL GUIDANCE, EDUCATION OF HANDICAPPED AND JUVENILE DELINQUENCY . .	4,81,55

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*

EXPANSION OF GIRL'S EDUCATION AND TRAINING OF WOMEN TEACHERS	70,50
POST BASIC SCHOOLS	
The provision is intended for grants to States for setting up of post-Basic Institutions and also for establishment of a Model Basic School in Delhi in the year 1958-59. The plan provision for the scheme is Rs. 40 lakhs	7,05
GRANTS-IN-AID TO VOLUNTARY ORGANISATIONS WORKING IN THE FIELD OF BASIC AND SOCIAL EDUCATION .	16,92
PRODUCTION OF LITERATURE FOR CHILDREN AND NEOLITERATES	
The provision is intended for Central Assistance to States for production of Social Education Literature and for their encouragement and production of literature for Neoliterates and Children	6,58
INTRODUCTION OF AGRICULTURAL COURSES	
The revised Scheme envisages the introduction of 100 Agricultural and 38 Science Courses in Rural Schools. Central Assistance to States has been provided both for recurring and non-recurring expenditure on these courses	14,10
ESTABLISHMENT OF NATIONAL COLLEGE OF PHYSICAL EDUCATION	
This scheme with a total estimated expenditure of Rs. 70 lakhs for the Plan period envisages the establishment of a National College of Physical Education to provide training facilities for a three year course and advance studies and Research at the Post-Graduate Level	5,64
SCHEME FOR NATIONAL DISCIPLINE	
This scheme has two aspects:—	
(*i*) Physical Training in the field of Semi-military lines designed to discipline the body of the child; and	
(*ii*) Spiritual Training through Lectures in class rooms on India's cultural heritage, traditions, acts of heroism, leadership and patriotism of higher order	18,80
LABOUR AND SOCIAL SERVICE CAMPS AND CAMPUS WORKS PROJECT	
The object of Camps is to inculcate a sense of dignity of manual labour among students and non-student youth and to give them an opportunity to render voluntary social service in the villages. The campus work projects provide much needed amenities in Universities and other Educational Institutions, such as, Gymnasia, Swimming Pools, Recreation Hall-*cum* Auditoria, Open Air Theatres Stadia, Pavillions etc. Grants are made to voluntary Organisations like the Bharat Sevak Samaj and Bharat Scouts and Guides, the N.C.C. Directorate, Universities and State Governments	56,40

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*		
	RURAL HIGHER EDUCATION	
	The ten rural institutions which started functioning during 1956-57 have developed further with addition of one or two courses during the current year. The provision for 1958-59 is intended to cover Central share of recurring and non-recurring expenditure of these Institutions	37,60
	GRANTS TO VOLUNTARY ORGANISATIONS WORKING IN THE FIELD OF SECONDARY EDUCATION . . .	14,10
	PROMOTION OF PHYSICAL EDUCATION AND RECREATIONAL ACTIVITIES	
	The provision is for the implementation of the Various schemes for the promotion of Physical Education and Recreational Activities in pursuance of the recommendations of the Central Advisory Board of Physicl Education and Recreation . . .	12,42
	PROMOTION OF SPORTS AND GAMES	
	A sum of Rs. 2 crores has been provided for the promotion of sports and games in the 2nd Five Year Plan. Major portion of the provision for 1958-59 is intended to be utilised for implementation of the following schemes like construction of sports centres, guest houses and Stadia etc.	29,80
	YOUTH WELFARE PROGRAMME	
	The provision for the year 1958-59 has been made for taking up some new schemes under the Youth Welfare Programme as well as for giving more assistance under some of the existing schemes which have become very popular among the Youth . . .	9,40
	EDUCATIONAL AND LITERARY ORGANISATIONS	
	The scheme provides for encouragement to Educational and Literary Organisations by way of giving grants for their approved activities	7,47
	GRANTS TO EDUCATIONAL INSTITUTIONS FOR CONSTRUCTION OF HOSTELS	22,04
	GRANTS TO SAHITYA AKADAMI	550
	GRANTS TO SANGEET NATAK AKADAMI . . .	19,50
	CULTURAL DELEGATIONS TO AND FROM FOREIGN COUNTRIES	
	The provision is intended to promote mutual good-will and understanding between Indian and other countries of the world through exchanges of cultural delegations	12,50
	CULTURAL ACTIVITIES	
	The provision is intended to cover cultural activities like presentation of books, grants to educational organisations, participation in international exhibitions or conferences	12,50
	ALL INDIA COUNCIL FOR SECONDARY EDUCATION	
	This item pertains to the Grants-in-aid towards the maintenance and activities of the All India Council for Secondary Education and its other Schemes .	39,80

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*concld.*		
21—Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research.	CONTRIBUTION TO INDIAN COUNCIL FOR CULTURAL RELATIONS	
	The provision is intended for meeting expenditure on maintenance and activities of the Indian Council for Cultural Relations, which is an autonomous body set up by the Government with a view to reviving and strengthening Cultural Relations between India and other Foreign countries	5,00
	GRANTS-IN-AID TO THE CENTRAL SOCIAL WELFARE BOARD AND TO THE VOLUNTARY SOCIAL WELFARE ORGANISATION.	
	The programme and activities of the Board include grants to voluntary social Welfare Institutions, grants for the Welfare extension projects and the construction of buildings for the project Centres, grants to Social Welfare Boards of the States, training of Gram Sevikas, Daies, etc. and purchase of Mobile Vans for publicity purposes	1,75,00
	CONTRIBUTION TO U.N.E.S.C.O.	
	As a member State of UNESCO, the Government are committed to pay such yearly contribution as the general conference of UNESCO may decide from time to time. The General Conference of the UNESCO is now being held biennially and as such it decides the percentage of contribution of each members State for 2 years succeeding the year in which the General Conference is held. The provision is intended to cover the Government of India's contribution on this account for 1958-59 . . .	14,00
109—Capital Outlay of the Ministry of Education and Scientific Research	GRANTS-IN-AID TO THE COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH	
	Provision is required for the construction of buildings and purchase of capital equipment for the National Laboratories/Institutes etc. of the C.S.I.R. . .	1,75,00
	EQUIPMENT ETC. FOR THE COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH UNDER THE COLOMBO PLAN AND THE T.C.A. PROGRAMME	
	A sum of Rs. 22·35 lakhs is estimated as the cost of the technical aid expected to be received under the above Programme during 1958-59.	
	Rs. Lakhs	
	T.C.A. Programme . . . . . 8·83	
	Colombo Plan . . . . . 13·52	22,35
	Lump sum provision for the cost of photogrammetric material and equipment in connection with the programme for expansion and mechanisation of the Survey of India during the Second Plan period .	13,13
117—Loans and Advances by the Central Government.	LOAN TO NATIONAL RESEARCH DEVELOPMENT CORPORATION	
	Provision is required for payment of loan to the National Research Development Corporation of India . .	5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF EXTERNAL AFFAIRS	
22.—Tribal Area	LUMP PROVISION FOR THE ASSAM RIFLES ORDNANCE FIELD DEPOT	5,00
	PROVISION FOR RELIEF MEASURES IN TRIBAL AREAS	38,00
	PROVISION FOR SUBSIDY, SUPPLY DROPPING EQUIPMENT ETC.	9,17
	LUMP PROVISION FOR THE PURCHASE OF NEW VEHICLES	6,50
	LUMP PROVISION FOR NATIONAL EXTENSION SERVICE BLOCKS	10,97
23.—Naga Hills—Tuensang Area.	COMMUNITY DEVELOPMENT PROJECTS, LOCAL DEVELOPMENT WORKS, NATIONAL EXTENSION WORKS	10,84
24.—EXTERNAL AFFAIRS	PROVISION FOR DISCRETIONARY EXPENDITURE	5,55
	PAYMENT OF SUBSIDIES TO SIKKIM AND BHUTAN	70,00
	ENTERTAINMENT CHARGES—HOSPITALITY GRANT OF THE GOVERNMENT OF INDIA	25,00
	PROVISION FOR THE EXPENDITURE ON INDIAN DELEGATION TO THE U.N.O. AND INTERNATIONAL CONFERENCES	8,00
	EXPENDITURE ON DEVELOPMENT MEASURES	7,60
	EXPENDITURE OF INDIAN DELEGATION TO THE INTERNATIONAL ARMISTICE SUPERVISORY COMMISSION—INDO-CHINA	33,61
25—State of Pondicherry	DEVELOPMENT SCHEMES APPROVED IN THE SECOND FIVE YEAR PLAN	60,73
	CONSTRUCTION OF NEW PIER AT PONDICHERRY	18,52
	PURCHASE OF MEDICINE FOR GOVERNMENT PHARMACY	8,00
	PAYMENT TO GOVERNMENT OF MADRAS FOR 66 KV LINES	8,54
	PURCHASE OF RESERVE STOCK FOR ELECTRICITY DEPARTMENT	12,00
110—Capital Outlay of the Ministry of External Affairs.	COST OF PROCUREMENT OF FOODSTUFFS AND OTHER ESSENTIAL COMMODITIES FOR TRIBAL AREAS	30,85
	COST OF PROCUREMENT OF FOODSTUFF AND OTHER ESSENTIAL COMMODITIES FOR HILLS—TUENSANG AREA	15,59
117—Loans and Advances by Central Government.	LOAN TO SIKKIM GOVERNMENT FOR AERIAL ROPEWAY	6,00
	LOAN TO INDONESIAN GOVERNMENT	5,00
	LOAN TO OTHER LOCAL FUNDS, PRIVATE PARTIES ETC.—	
	LOAN TO MUNICIPALITIES IN PONDICHERRY	10,00
	MISCELLANEOUS LOANS AND ADVANCES—LOANS TO COOPERATIVE SOCIETIES—PONDICHERRY	17,71

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FINANCE	
27.—Ministry of Finance .	ANNUAL MEETINGS OF I.M.F. AND I.B.R.D.	
	To meet the charges of Annual Meeting of the International Bank for Reconstruction and Development and International Monetary Fund to be held in India, Delhi during 1958-59	10,00
30.—Taxes on Income including Corporation Tax and Estate Duty.	The provision is in connection with Wealth and Expenditure Taxes which are to be administered by the Income-tax Department from the financial year 1958-59 onwards	16,60
35.—Mint . . .	LOSS ON DESTRUCTION OF WITHDRAWN COINS	
	This sum represents the difference between the invoice (face) value of demonatised O.S. pure nickel and Cupro-nickel coins withdrawn from circulation and remitted to the Mint and the metal cost thereof. The face vaule of the coins is payable to the former Hyderabad Government as a result of Federal Financial Integration	45,00
	Reimbursement to State Governments of part of extra expenditure incurred by them on the opening of Small Coin Depots, employment of additional staff etc. consequent on the introduction of the decimal system of coinage	7,00
38.—Miscellaneous Department and Other Expenditure under the Ministry of Finance.	PURCHASE OF DOLLARS FROM I. M. F.	
	This is a Non-Plan expenditure and is required for the payment of Service and Other Charges in connection with the purchase of Dollars from the I.M.F. .	1,76,67
	SCHEME FOR PUBLIC COOPERATION	
	The provision is meant for expenditure on Schemes of Public Cooperation under the Plan. The Schemes received from the non-political, non-official Voluntary Organisations, State Governments etc., are scrutinized by the Coordination Committee for Public Cooperation and sanction is accorded by the Planning Commission as an administrative Ministry with the concurrence of the Ministry of Finance	10,00
	CONTRIBUTION TO U. N. TECHNICAL ASSISTANCE PROGRAMME	
	The United Nations Expanded Programme of Technical Assistance is financed through voluntary contributions of the participating Governments. The provision of Rs. 25 lakhs made for the next year represents Government of India's Contribution .	25,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FINANCE—*contd.*	
	AID TO GOVERNMENT OF NEPAL	
	Economic assistance upto Rs. 10 crores has been promised to the Government of Nepal under the Colombo Plan for certain selected schemes included in their First Five Year Plan which is estimated to cost about Rs. 33 crores and is running concurrently with the Second Five Year Plan of India. The provision made represents Governments of India's share of contribution.	2,20,00
	TECHNICAL AID TO SOUTH AND SOUTH EAST ASIA	
	The provision is to meet the obligations undertaken by the Government of India to provide training facilities and services of experts to the South and South East Asian countries under the Colombo Plan . .	18,00
112.—Capital Outlay on Currency & Coinage.	SECURITY PAPER MILL	
	A lump provision of Rs. 10 lakhs is made in the budget in connection with the scheme to set up a Security Paper Mill in India for the manufacture of Currency and Bank Note paper and other security papers. The total expenditure on the scheme is estimated at Rs. 4 crores and the Mill is estimated to produce about 2,000 tons of paper per annum . . .	10,00
116.—Other Capital Outlay of the Ministry of Finance	MATERIALS AND EQUIPMENT UNDER T. C. A. PROGRAMME AND COLOMBO PLAN	
	The U. S. Government is assisting India under the Technical Cooperation Programme Agreement of January 1952 in a number of Development projects in the Five Year Plan. Assistance is also being received from Australia and Canada under the Colombo Plan for a number of schemes. Assistance is in the form of equipment and supplies for the Central and State Government Schemes. The Budget provision on account of the cost of the equipment for the Central Schemes is made by the Ministries concerned, while the provision for the equipment being received for the River Valley Power, Railway Schemes is being made by the Department of Economic Affairs. The cost of the equipment is treated as loan to the State Governments to be recovered in instalments over a number of years. In case of equipment for the Railways. The costs would be recovered from the Ministry of Railways. The amount recovered is to be credited to the Special Development Fund.	
	The provision has been made for the following in the next year's budget :—	
	(*a*) Indian Railways.	
	(*b*) River Valley and Irrigation Projects, Chamba Project, Umtru Project.	
	(*c*) Improvement of Rajasthan power facilities. .	9,85,57

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FINANCE—*contd.*	
	LOCAL DEVELOPMENT WORKS	
	Assistance under Local Development Works Programme is being afforded since 1953-54 on a matching basis for schemes which are intended to improve the conditions in the country-side and benefit the community as a whole. Sinking of and repairs to wells, improvement and construction of buildings for schools and dispensaries, construction of godowns for storage of foodgrains, laying out of approach roads in villages, including construction of small bridges and culverts, are some of the types of works taken up under the Programme	4,00,00
117.—Loans and Advances by the Central Govt.	LOANS TO INDUSTRIAL FINANCE CORPORATION	
	In order to enable the Industrial Finance Corporation to meet the increasing demand from industrial concerns for financial assistance, the provision has been made in the Second Five Year Plan for Central Government Loans to the Corporation . .	3,00,00
	LOANS TO THE REHABILITATION FINANCE ADMINISTRATION	
	Under Section 11 (1) of Rehabilitation Finance Administraton Act, 1948, the Central Government may from time to time advance money to the Rehabilitation Finance Administration for its business. The advances are repayable and bear interest at the rate of 3%	25,00
	LOANS TO STATE GOVERNMENTS FOR SETTING UP STATE FINANCIAL CORPORATIONS	
	In view of the fact that many States found it difficult to arrange the necessary finances for setting up State Financial Corporations, Central Government has proposed to grant loans to State Governments for this purpose	20,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE	
43.—Forest . .	SOIL CONSERVATION RESEARCH DEMONSTRATION AND TRAINING CENTRALS INCLUDING DESERT AFFORESTATION AND SOIL CONSERVATION STATION, JODHPUR.	
	The provision is for running costs of the eight existing Soil Conservation Centres and one Desert Afforestation and Soil Conservation Centre ; as well as for a new Soil Conservation Research Demonstration and Training Centre which will start functioning in full swing in 1958-59	35,00
	DEVELOPMENT SCHEME FOR RECLAMATION AND CONTROL OF RAJASTHAN DESERT	
	The main objective of the Scheme will be Soil Conservation in Rajasthan desert by improved methods of pasture, by regulation of grazing and adoption of proper management practices	15,00
	CENTRAL FORESTRY SCHEMES	
	The provision is for the following five central Forestry Schemes included in the Second Five Year Plan :	
	(1) Development Schemes, of the Forest Research Institute and Colleges, Dehra Dun	
	(2) Setting up of the Regional Forest Research Centres.	
	(3) Establishment of the seasoning and preservation plant at Bombay, Rajahmundry and Pathankot.	
	(4) Forestry Commission	20,00
	STATE FORESTRY SCHEMES	
	The provision is for subsidy to the States for their State Forestry Schemes	29,00
	NATURE CONSERVANCY SCHEMES	6,00
	MATCHWOOD PLANTATIONS	8,00
	DEVELOPMENT OF FOREST RESEARCH	
	The provision is for cost of material and equipment to be received under the T. C. A. Programme .	18,00
	SOIL CONSERVATION	93,00
44.—Agriculture . .	INTEGRATED ALL INDIA SOIL AND LAND USE SURVEY SCHEME	
	The provision is for carrying out a reconnaissance of Soil Survey and also to conduct Soil Conservation Survey for land use, planning of land in the catchment areas of the six river valley projects *viz.*, Kosi, Damodar, Chambal, Bhakra, Hirakud and Machkund.	15,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	GRANTS TO RESEARCH CENTRES FOR AGRO-ECONOMIC RESEARCH	
	The provision for setting up of two new additional research centres during the Second Plan period to carry on research in agro-economic problems .	5,62
	PROJECT FOR GROUND WATER EXPLORATION	
	The project is for drilling of about 400 exploratory bores in various parts of India with a view to collect necessary geological and hydrological data for delineating areas suitable for large scale tube-well construction	76,85
	GRNAT-IN-AID TO THE INDIAN CENTRAL SUGARCANE COMMITTEE	6,00
	KEY VILLAGE SCHEME	
	The provision is intended to meet Central Govt.'s share of expenditure in the All India Key Village Scheme to be implemented in the various States during 1958-59	52,81
	GOSADAN SCHEME	
	The provision is intended for meeting the Central Govt. share of expenditure on the Gosadan Scheme to be implemented in various States during 1958-59 .	9,50
	GOSHALA DEVELOPMENT SCHEME	
	The provision is intended for meeting the Central Govts'. share of expenditure on the Goshala Development Scheme to be implemented in the various States during 1958-59	10,00
	IMPROVEMENT OF LAND RECORDS AND AGRICULTURAL STATISTICS INCLUDING IMPROVEMENT OF MARKET INTELLIGENCE	6,50
	ALL INDIA POULTRY DEVELOPMENT SCHEME	
	The provision is for giving grant-in-aid to the States for implementation of the Poultry Development Scheme and for running Five Regional Farms. .	27,00
	ARECANUT RESEARCH SCHEMES	13,00
	CENTRAL COCOANUT RESEARCH SCHEMES . . .	6,06
	TECHNOLOGICAL RESEARCH ON VEGETABLE OILS . .	5,00
	SETTING UP OF TWO AIR-CONDITIONED AND 15 ORDINARY GODOWNS	
	The provision is to meet the expenditure on the setting up of an air conditioned godown at Calcutta . .	5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	PAYMENT TO THE INDIAN CENTRAL COCONUT COMMITTEE AGAINST CESS COLLECTIONS ON COPRA . .	7,00
	PAYMENT TO THE INDIAN CENTRAL OIL SEEDS COMMITTEE AGAINST CESS COLLECTIONS ON OIL AND OILSEEDS . .	15,00
	PAYMENT TO THE INDIAN LAC CESS COMMITTEE AGAINST CESS COLLECTIONS ON LAC AND REFUSE LAC . .	7,00
	COTTON EXTENSION SCHEME—GRANTS TO STATES	
	The provision has been made to meet the Central Share of assistance on the cotton Extension Schemes which are running in 9 states with the object of achieving target of cotton production (65 lakhs bales) fixed for the Second Five Year Plan . . .	11,38
	GRANTS TO STATES FOR JUTE DEVELOPMENT SCHEMES	
	The provision has been made to meet the Capital share of assistance on the Jute Development Schemes which are running in 5 States with the object of achieving the target of jute production which has been fixed at 55·40 lakhs bales during the Plan period	14,57
	GRANTS TO THE INDIAN CENTRAL JUTE COMMITTEE FOR NUCLEUS JUTE SEED MULTIPLICATION FARM . .	5,43
	GRANT-IN-AID TO THE INDIAN CENTRAL TOBACCO COMMITTEE	16,52
	SHEEP AND WOOL DEVELOPMENT SCHEME	
	The provision represents the Grant-in-aid payable to State Governments for implementation of the Scheme	15,00
	SCHEME FOR PROGENY TESTING OF BULLS . . .	5,00
	DEVELOPMENT OF 4 STATE AGRICULTURAL COLLEGES FOR POST-GRADUATE EDUCATION ON A REGIONAL BASIS	
	The provision is for giving financial assistance to four State Govts. for developing four of the existing State Agriculture Colleges into strong centres of Post-graduate education on a regional basis . .	5,00
	GRANT-IN-AID TO THE INDIAN CENTRAL JUTE COMMITTEE	23,08
	MANURIAL AND AGRONOMIC TRIALS	
	Provision represents Grant to Indian Council of Agricultural Research for the Scheme of Manurial trials (having an all India coverage) and Model Agronomic experiments	11,00
	FERTILISER DEMONSTRATION SCHEME	
	The scheme is intended to popularise the use of fertilisers by holding demonstration etc., at cultivator's fields	13,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF FOOD AND AGRICULTURE—*contd.*

SCHEMES FOR STRENGTHENING EXISTING AGRICULTURE RESEARCH INSTITUTES AND/OR SETTING UP OF NEW ONES	
The scheme is intended for providing central assistance to State Deptts. of Agriculture for strengthening existing Agricultural Institutes and/or setting up of new ones where they do not exist at present with a view to enabling the research machinery to keep pace with the tempo of national development .	20,00
HIGHER AGRICULTURAL EDUCATION—PROJECT FOR SUPPLY OF MATERIAL AND EQUIPMENT TO AGRICULTURAL RESEARCH AND EDUCATIONAL INSTITUTIONS IN STATES UNDER THE INDO-US TECHNICAL CO-OPERATION PROGRAMME	
The provision represents the cost of equipment likely to be received during 1958-59 under the Operational Agreement No. 28 with T.C.M.	35,00
GRANTS TO THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY FOR COTTON RESEARCH, SEED MULTIPLICATION AND DISTRIBUTION SCHEMES IN COTTON GROWING STATES	21,00
PAYMENT TO THE INDIAN CENTRAL COTTON COMMITTEE AGAINST CESS COLLECTIONS ON COTTON . .	11,00
SCHEMES FOR RESEARCH AND DEVELOPMENT OF HORTICULTURE IN THE STATES	
The provision is for giving financial assistance to States etc. for the implementation of the Schemes for the development of fruit production, training of gardeners for research on important fruits. . .	9,50
FARM INFORMATION BUREAU-PRODUCTION OF AGRICULTURAL INFORMATION LITERATURE FOR VILLAGE LEVEL WORKERS AND BLOCK DEVELOPMENT OFFICERS IN NATIONAL EXTENSION SERVICE	8,00
EXTENSION WING	
With a view to bridging the gap between the specialists in the different Agricultural fields and the extension workers in the Community Projects and National Extension Service Blocks, an Extension Wing is being set up in the Ministry of Food and Agriculture. The main purpose of this Wing will be to serve as a liaison between the Agricultural Research Institutions and the National Extension Service personnel. The Wing will deal primarily with farm advisory works the supervision of training centres for village extension work and production and distribution, on a mass scale of farm literature and other teaching aids for the use of village level workers. It will work in close collaboration with the community projects organisations and the State Department of Agriculture.	11,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	SUGARCANE DEVELOPMENT SCHEMES	
	The provision is to meet Centre's share of expenditure on Sugar-cane Development Schemes in various States	50,00
	TRAINING SCHEME FOR TRACTOR OPERATORS	
	Provision represents salary and allowances etc., of staff as also cost of material and equipment to be received under T.C.A. Programme for the Training Centre at Budni (M.P.)	6,25
	INDO-AMERICAN TECHNICAL AND PROGRAMME FOR MARINE FISHERIES	
	Under the Indo-American Technical Aid Programme material and equipment are to be received for the extension and modernisation of marine fisheries. .	19,50
	THE INDO-NORWEGIAN FISHERIES COMMUNITY DEVELOPMENT PROJECT, KERALA	
	Under the Indo-Norwegian Fisheries Community Development Project material and equipment for the expansion and modernisation of marine fisheries in Kerala are received from Norway. The provision is only a corresponding rupee provision for the purpose and is to be met from the counterpart credits in the Special Development Fund . .	25,00
	SCHEME FOR MULTIPLICATION AND DISTRIBUTION OF IMPROVED SEEDS	
	Provision is to meet non-recurring expenditure of the State Govts. on the establishment of Seed Farms in the States	2,38,00
	GROW MORE FOOD SCHEME	
	Provision is for giving subsidy to States as also provision for meeting expenditure of Union Territories for implementation of G.M.F. Schemes . . .	2,60,00
45.—Civil Veterinary Services.	DEVELOPMENT OF INDIAN VETERINARY RESEARCH INSTITUTE AND SETTING UP OF POST GRADUATE COLLEGE.	
	It is proposed to strengthen the Research Institute during the Second Five Year Plan and to establish a Post-Graduate College in Veterinary and Animal Husbandry Sciences	9,50
	DEVELOPMENT OF FOUR STATE VETERINARY COLLEGES FOR POST-GRADUATE EDUCATION	
	Financial assistance will be given to four State Govts. for developing four of the existing State Veterinary colleges into centres of post-graduate education on a regional basis.	5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	RINDERPEST SCHEME	
	For eradication of rinderpest disease in cattle by conducting mass inoculation of cattle in the whole of the country and for establishing quarantine stations to check the ingress of the disease from outside India	28,00
	GRANTS TO STATES FOR VETERINARY COLLEGES	
	For setting up of five new Veterinary Colleges and extending a number of existing Colleges . .	27,37
46.—Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture.	INCIDENTAL EXPENDITURE ON GIFTS RECEIVED FROM ABROAD	
	The provision is intended to cover the incidental expenditure such as unloading, handling, etc., on gifts received from abroad	6,40
	OTHER MISCELLANEOUS EXPENDITUR	
	The provision is intended to cover payments to State Governments for losses incurred by them on sale of foodgrains on behalf of Centre	31,30
	DAIRY DEVELOPMENT	
	The provision is for giving assistance to States as grants-in-aid for development of diary industry	90,00
	CONTRIBUTION TO THE FOOD AND AGRICULTURE ORGANISATION OF THE UNITED NATIONS	
	The amount represents annual membership contribution paid by India to the Food and Agriculture Organisation of the United Nations	15,95
	COOPERATIVE TRAINING AND EXPERIMENTS	
	Provision is for subsidies given to States and other Cooperative Institutions for meeting a part of expenditure in connection with development of Cooperation and warehousing etc.	1,30,00
	TRADING LOSS ON CENTRAL TRACTOR ORGANISATION	
	Provision is for meeting losses of the Central Tractor Organisation due to recovery of charges in respect of Kans Clearance at less than the actual cost of operation	56,33
	AGRO-ECONOMIC RESEARCH	
	Grants for Agro-Economic Research the various institutions and for building for Research Centre . .	5,50

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	TRAINING OF VILLAGE LEVEL WORKERS	
	The provision is for meeting the Govt. of India's share of expenditure in connection with the implementation in the States of the following Schemes :	
	Workshop Home Science Refresher's Course for Village Level Workers and Group Level Workers and Basic Agricultural Schools Wings . .	79,66
	RESETTLEMENT OF LANDLESS WORKERS	
	The provision is intended for giving grants to States for implementation of schemes for resettlement of landless workers	11,50
	DAIRY PROJECTS NATIONAL DAIRY RESEARCH INSTITUTE	
	Provision is for equipment and material to be imported for the National dairy Research Institute, Karnal under the T. C. A. Programme and Colombo Plan	11,21
	DELHI MILK SUPPLY SCHEME	
	Provision has been made for transferring cash aid expected to be received from New Zealand Govt. under Colombo Plan to the Special Development Fund .	53,00
117.—Loans and Advances by the Central Govt.	RESETTLEMENT OF LANDLESS WORKERS	
	Loans to the State Governments in connection with the schemes for resettlement of landless workers .	19,00
	SOIL CONSERVATION SCHEMES	
	Loans to State Governments for Soil Conservation Schemes	2,07,00
	STATE FORESTRY SCHEMES	
	Loans for Forestry Schemes	1,13,00
	DAIRY DEVELOPMENT	
	Loans for development of dairy industry in the States .	1,00,00
	ALL INDIA POULTRY DEVELOPMENT SCHEME	
	Loans to the States under the scheme . . .	6,00
	CONSTRUCTION OF TRAMWAY LINES IN SUGAR FACTORY AREAS OF BIHAR	
	Loans to Bihar Government to assist the factories to construct tramways in and around the cane belts.	14,50
	CONSTRUCTION OF TUBEWELLS	
	Loans to State Govts. for their tubewell projects . .	3,26,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	ADVANCES TO STATE GOVTS.—LOANS FOR COTTON CULTIVATION SCHEMES	
	Short-term loans to the State Govts. for purchase of improved cotton seeds under the cotton extension schemes in 9 cotton growing states . . .	37,00
	Loans to the State Governments for the Development of pepper, cashewnut and miscellaneous spice crops	33,00
	SCHEMES FOR RESEARCH AND DEVELOPMENT OF HORTICULTURE IN THE STATES	
	Advances to State Govts. for giving loans to fruit growers for planting new orchards and for the rejuvenation of old orchards	38,00
	AGRICULTURAL AND VETERINARY EDUCATION	
	Loans to the State Govts. for setting up of new Agricultural and Veterinary colleges and for the expansion of the training facilities at the existing colleges	35,25
	LOANS TO STATE GOVERNMENTS FOR DEVELOPMENT OF REGULATED MARKETS	
	Loans to the State Government for the development of the Regulated Markets through Market Committees	9,50
	SCHEMES FOR MULTIPLICATION AND DISTRIBUTION OF IMPROVED SEEDS	
	Loan to State Governments for the establishment of seed farms in the States	2,00,00
	LOANS FOR G.M.F. SCHEMES	
	The provision is for giving long term loans to the States in connection with the G.M.F. Schemes .	12,00,00
	LONG TERM ADVANCES TO CULTIVATORS IN UNION TERRITORIES	35,00
	LOANS TO STATES FOR COOPERATIVE PROCESSING SOCIETIES AND FOR PARTICIPATION IN SHARE CAPITAL OF COOPERATIVE AND OTHER SOCIETIES . . .	2,50,00
118.—Capital Outlay on Forests.	ANDAMANS FOREST DEPARTMENT	
	The provision is for the development othe resources of the Andamans Forest Department . . .	6,00
	EXPENDITURE IN OTHER COUNTRIES	
119.—Purchase of Food-grains.	The provision under this sub-head is intended to cover the expenditure in Sterling and Dollar currencies on cost and freight etc. of food grains to be purchased overseas	36,12,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	STORAGE OF FOODGRAINS—ADVANCES	
	The bulk of the provision is intended to cover advances to State Governments to finance procurement of foodgrains through them and the balance for advances to Handling and Clearing Agents, Port Trusts, etc. till their accounts have been rendered etc.	4,35,00
120.—Other Capital Outlay of the Ministry of Food and Agriculture.	CONSTRUCTION OF STORAGE GODOWNS	
	The provision is intended to cover the expenditure on construction of Food Storage Godowns under the Second Five Year Plan .	1,34,80
	MODERN STORAGE PROJECT—INCIDENTAL CHARGES	
	The provision under this sub-head is intended to cover expenditure on handling movement, setting up etc. of the material and equipment for food storage received under T. C. A. Programme . . .	15,20
	INDO-AMERICAN TECHNICAL AID PROGRAMME FOR MARINE FISHERIES	
	Under the Indo-American Technical Aid Programme material and equipment are to be received for the extension and modernisation of marine fisheries. The provision is only a counterpart provision for the purpose and is to be transferred to revenue by *per contra* credit entries in accounts. . . .	19,50
	DELHI MILK SUPPLY SCHEME	
	Provision is made for the purchase of material and equipment and cost of land required for the Schemes	95,00
	G.M.F. SCHEMES IN UNION TERRITORIES	
	Recoverable Capital Expenditure in Union Territories	20,00
	CONTRIBUTION TO NATIONAL COOPERATIVE AND DEVELOPMENT WAREHOUSING BOARD	
	Recoverable Capital Expenditure for Cooperative Schemes	40,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF FOOD AND AGRICULTURE—*contd.*

CONTRIBUTION TO SHARE CAPITAL OF COOPERATIVE SOCIETIES IN UNION TERRITORIES	15,91
CONSTRUCTION OF CENTRAL CONTROL LABORATORY AND REGIONAL LABORATORIES	9,16
BUILDING WORKS	
Construction works at the Central Potato Research Institute and Central Mechanised Farm, Suratgarh	18,50
SCHEME FOR THE PURCHASE OF FERTILISERS	
The Central Govt. is running a State Trading Scheme for the purchase and distribution of Fertilisers and the provision is for meeting expenditure during 1958-59	21,51,00
MATERIAL AND EQUIPMENT UNDER T. C. A. PROGRAMME—IMPORT OF FERTILISERS	
Provision is for meeting expenditure in connection with certain outstanding adjustments on account of imports during the past years	10,00
LAND RECLAMATION	
The provision is for reclamation of Kans-infested and jungle lands and also for land development work	85,81
ALL INDIA POULTRY DEVELOPMENT SCHEME	
The provision is intended for import of equipment under the T. C. M. programme for the All India Poultry Development Scheme	5,00
MATERIAL AND EQUIPMENT UNDER T.C.A. PROGRAMME	
Cost of material and equipment under T. C. A. Programme for Village Level Workers Training and incidental expenditure thereon	7,04
KEY VILLAGE SCHEME	
The provision is for importing material and equipment under T. C. A. and Colombo Plan Aid Programme .	5,00
DAIRY PROJECTS—NATIONAL DAIRY RESEARCH INSTITUTE	
Equipment and material for the National Dairy Research Institute under the T. C. A. Programme and Colombo Plan	11,21

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF FOOD AND AGRICULTURE—*concld.*	
	DAIRY DEVELOPMENT	
	The provision is intended for import of diary equipment under the Colombo Plan and the T. C. A. Programme for Dairy Development Projects in States	66,30
	LIVESTOCK DEVELOPMENT	
	Cost of material and equipment under T. C. A. Programme for Biological Products and Testing Units and for College and Research Division . . .	13,41
	HIGHER AGRICULTURAL EDUCATION PROJECT—FOR SUPPLY OF MATERIAL AND EQUIPMENT TO AGRICULTURAL RESEARCH AND EDUCATIONAL INSTITUTIONS UNDER THE INDO-U.S. TECHNICAL CO-OPERATION PROGRAMME	
	The provision represents the doller cost of equipment scheduled to be received during 1958-59 and incidental expenditure and customs duty, etc. . .	42,00
	MATERIAL AND EQUIPMENT UNDER T. C. A. PROGRAMME	
	Procurement of stores and machinery under T. C. A. Programme for the Forest Research Institute, Dehra Dun	18,00
	CONSTRUCTION OF TUBEWELLS INCLUDED IN THE SECOND FIVE YEAR PLAN SCHEME	
	The expenditure on construction of tubewells is also being financed through foreign loans and grants under Indo-U.S. Technical Cooperation Agreement. The provision is made to incorporate into Govt. Accounts the value of equipmnt received from abroad under Operational Agreements No. 6 and 49	65,67
	THE INDO-NORWEGIAN FISHERIES COMMUNTITY DEVELOPMENT PROJECT, KERALA	
	Under the Indo-Norwegian Fisheries Community Development Project, material and equipment for the expansion and modernisation of marine fisheries in Kerala are received from Norway. The provision is only corresponding rupee provision for the purpose and is to be transferred to revenue by *per contra* credit in accounts	25,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF HEALTH	
48.—Medical Services	GRANTS FOR THE ESTABLISHMENT OF PAEDIATRIC CENTRES IN THE VARIOUS STATES	
	Total provision for the Second Plan period for this Scheme is Rs. 37 lakhs. A provision of Rs. 7·50 lakhs has been made during 1958-59 for the payment of Central assistance to the State, Govts. for the Establishment of the Centres	7,50
	TAKING OVER THE TATA MEMORIAL HOSPITAL, BOMBAY	
	The Tata Memorial Hospital was taken over in April, 1957. Rs. 6·50 lakhs have been provided in the Budget Estimates for 1958-59.	6,50
	GRANTS TO THE INDIAN CAN CER RESEARCH CENTRE, BOMBAY	5,50
	GRANTS FOR THE ALL INDIA INSTITUTE OF MEDICAL SCIENCES	
	The expansion and development of the Institute has been included in the Second Five Year Plan. During the next financial year, a sum of Rs. 20 lakhs will be forth coming from the Special Development Fund under the Colombo Plan. As such, the net expenditure to the Government of India will be only Rs. 15 lakhs	35,00
	GRANTS-IN-AID TO THE ALL INDIA INSTITUTE OF MENTAL HEALTH, BANGALORE	
	A sum of Rs. 3·70 lakhs has been provided for the expansion of this Institute during 1958-59 in addition to Rs. 2·55 lakhs for recurring expenditure .	6,25
	SCHEME FOR THE ESTABLISHMENT OF T. B. CLINICS	
	A scheme for the establishment of 200 new T. B. clinics and expansion of 100 existing T. B. clinics is included in the Second Five Year Plan with an allocation of Rs. 127·5 lakhs. X-Ray and Laboratory equipment valued at Rs. 50,000 is proposed to be given as Central subsidy towards the establishment of 60 T. B. clinics during the year 1958-59. The provision of Rs. 30 lakhs is intended to meet the cost of X-Ray and Laboratory equipment proposed to be supplied under the scheme during 1958-59 .	30,00
	SCHEME FOR THE ESTABLISHMENT OF AFTERCARE AND REHABILITATION CENTRE FOR T. B. PATIENTS	
	A scheme for the establishment of 8 After care and Rehabilitation Centres for T. B. patients is included in the Second Five Year Plan, with an allocation of Rs. 30 lakhs. The provision of Rs. 5 lakhs included in the budget estimates for 1958-59 is intended for the grant of Central subsidy	5,00

(In thousands of Rupees)

No. of Demand	Name of	Particulars	Budget, 1958-59
		MINISTRY OF HEALTH—*contd.*	
		SCHEME FOR ESTABLISHMENT OF DENTAL CLINICS IN DISTRICT HOSPITALS	
		A scheme for the establishment of 350 dental clinics in district hospitals in the States is included in the Second Five Year Plan, with an allocation of Rs. 151 lakhs. The provision of Rs. 7 lakhs is proposed for the grant of central subsidy in respect of the dental clinics to be established during 1958-59 and those already established under the scheme .	7,00
		GRANTS FOR DEVELOPMENT OF AYURVEDIC, UNANI, HOMOEOPATHIC AND NATURE CURE SYSTEMS OF MEDICINES	
		Under the Second Five Year Plan a provision of Rs. 100 lakhs has been made for the development of Indigenous systems of Medicine. A provision of Rs. 16 lakhs is included in the next year's budget for implementation of scheme	16,00
		HEALTH SERVICES FOR GOVERNMENT EMPLOYEES .	45,00
		GRANTS TO CERTAIN STATE GOVTS. FOR THE ESTABLISHMENT OF DEPARTMENTS OF SOCIAL AND PREVENTIVE MEDICINE IN CERTAIN MEDICAL COLLEGES	
		Financial assistance on the basis of 50% recurring and non-recurring expenditure is given to the State Govts. for establishment of Departments of Social and Preventive Medicine in certain Medical Colleges. A sum of Rs. 25 lakhs has been allotted in the Second Five Year Plan for this purpose. A number of such Departments have already been set up in the States. The present provision is to meet such expenditure in 1958-59	7,51
		ESTABLISHMENT OF NEW DENTAL COLLEGES AND EXPANSION OF EXISTING ONES	
		The provision is to meet the expenditure on the expansion of Dental Wings in the Medical Colleges in the States of Madras, Bombay and U. P. and also for the setting up of new ones where they are non-existent	10,00
		ESTABLISHMENT AND EXPANSION OF MEDICAL COLLEGES	
		There is a provision of Rs. 650 lakhs in the Second Five Year Plan for the establishment of new medical colleges and expansion of existing ones. The Central Assistance to the colleges will be given to the extent of 75% of non-recurring expenditure and 25% of recurring expenditure subject to a ceiling. A provision of Rs. 1·5 crores has been made during 1958-59 for this purpose	1,50,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF HEALTH—*contd.*	
	CONTRIBUTION TO STATE GOVERNMENTS ETC., FOR UPGRADING OF CERTAIN DEPARTMENTS IN MEDICAL INSTITUTIONS IN INDIA	
	The upgrading of certain Departments in Medical institutions was recommended by the Upgrading Committee in 1948 to provide post-graduate education in medicine. Some seats at the upgraded Departments are filled on an All India basis. The upgraded Departments under the First Five Year Plan included Thoracic Surgery, Anatomy, Gynaecology, Venereology, Radiology and Pathology. Provision is for giving financial assistance to States for meeting half the recurring expenditure on account of such upgrading	6,00
	SUPPLY OF EQUIPMENT RECEIVED FROM T. C. M. TO MEDICAL COLLEGES AND RESEARCH INSTITUTIONS	
	The equipment is supplied by the U. S. Technical Co-operation Mission free of charge. The Government of India meet the incidental expenditure in handling the equipment, freight charges bank commission, etc. in respect of equipment received by the institutions under the control of the Central Government	16,50
49.—Public Health	PRIMARY HEALTH UNITS IN THE STATES	
	In the Second Five Year Plan a provision of Rs.19 crores has been made for the establishment of about 2,000 Primary health units in the National Extension areas in the States. The Government of India will subsidise State Govts. to the extent of 75% of the initial non-recurring expenditure upto a total of Rs. 37,200 on each unit. 69 such centres were established during 1st Five Year Plan . . .	3,00,00
	DEVELOPMENT OF PUBLIC HEALTH LABORATORY SERVICES	8,00
	TRAINING OF AUXILIARY NURSE-MIDWIVES	
	A Centrally assisted scheme was sanctioned in 1954-55 for the training at selected institutions in States, of Midwives and Auxiliary Nurse-Midwives required for Community Development Projects during the Second Five Year Plan period, Central assistance will be continued for the training of 6,000 Auxiliary Nurse-Midwives by expanding training facilities in existing schools and or by establishing new schools	1,000
	TRAINING OF LADY HEALTH VISITORS	
	A centrally assisted scheme for the training of Health Visitors for rural areas under the Community Projects was started in 1954-55. During the 2nd Five Year Plan period it is proposed to train 1,260 Health Visitors with Central assistance. The provision is to meet such expenditure during the next year ..	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF HEALTH—*contd.*

TRAINING OF DAIS

The Government of India have sanctioned a centrally assisted scheme under the Second Five Year Plan for the training of 36,000 'Dais' at an estimated cost of Rs. 90 lakhs with a view to improving their standard of practice. The provision is for Central assistance at the rate of Rs. 9,600 per unit per annum for meeting the cost of bags for Dais, their refills and for cash rewards to dais trained at these Units 10,00

GRANTS TO STATE GOVERNMENTS—SCHEME FOR THE CONTROL OF V. D.

The scheme for the opening of V. D. Clinics in the States has been included in the Second Five Year Plan 8,00

PROVISION FOR IMPLEMENTATION OF MALARIA ERADICATION PROGRAMME 7,01,56

SCHEME FOR CONTROL OF LEPROSY

This scheme envisages the establishment of a number of pilot projects for the control of leprosy by the application of mass treatment methods in certain areas and simultaneously to undertake health education on the infectivity of the disease and its prevention 35,00

CENTRAL LEPROSY TEACHING AND RESEARCH INSTITUTE, MADRAS

The Government of India have established the Central Leprosy Teaching and Research Institute at Chingleput in Madras State. During the second Five Year Plan, a provision of Rs. 28 lakhs has been made for the Institute. A provision of Rs. 5 lakhs has been included for the Institute in the Budget Estimates for 1958-59 5,00

GRANTS TO T. B., LEPROSY AND OTHER VOLUNTARY INSTITUTIONS

A scheme was included in the revised First Five Year Plan for giving grants-in-aid to hospitals and institutions for T. B., Leprosy and other diseases which are managed by non-official voluntary agency and were of more than local importance, mainly to enable them to obtain essential equipment and to improve their working. The Scheme is continued in the Second Five Year Plan also and a provision of Rs. 100 lakhs has been allocated for this purpose. A provision of Rs. 20 lakhs has been made for the year 1958-59 20,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF HEALTH—*contd.*

SUBSIDIES FOR ESTABLISHMENT OF T. B. ISOLATION BEDS

A scheme for the establishment of 4,000 T. B. isolation beds is included in the Second Five Year Plan, with an allocation of Rs. 50 lakhs. The provision of Rs.10 lakhs made for the year 1958-59 is for grant of subsidy for this purpose 10,00

GRANTS FOR GIVING RELIEF TO DESTITUTE DISPLACED PERSONS FROM WEST PAKISTAN

Budget provision is for granting financial assistance and treatment facilities to displaced T. B. patients from West Pakistan 8,50

GRANTS TO THE INDIAN COUNCIL OF MEDICAL RESEARCH

The Government of India pay an annual grant to the Indian Council of Medical Research for its research activities in the field of medicine and public health. A provision of Rs. 312 lakhs has been made in the Second Five Year Plan for financing the programme 50,00

FAMILY PLANNING

The provision is intended to grant subsidies to State Governments, Local Bodies and Voluntary Organisation and for Research Schemes, etc. The provision also includes training programme, education in family Planning, opening of urban and rural Family Planning Clinics and establishment of a Demographic Centre at Bombay as envisaged during the Second Five Year Plan 46,00

DISCRETIONARY FUND OF HEALTH MINISTER FOR GIVING GRANTS-IN-AID FOR SUBSIDISING SCHEMES IN CONNECTION WITH BLINDNESS, LEPROSY, TUBERCULOSIS, ETC.

Grants from the above Fund are sanctioned under the personal orders of the Health Minister for various deserving causes such as research in the field of Leprosy, help to T. B. etc. Sufferers, Child Welfare, relief of Mental Patients, purchase of Hospital equipment and medicines for certain Voluntary and private Medical Institutions, Construction of buildings for private and Voluntary medical institutions and welfare Centres, mobile Dispensaries, etc. 5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF HEALTH—*concld.*	
50.—Miscellaneous Expenditure under Ministry of Health.	GRANTS TO THE DELHI DEVELOPMENT AUTHORITY FOR THE SALARIES OF STAFF AND CONTINGENCIES	
	The Delhi Development Authority has been constituted under the Delhi Development Authority Act, 1957, to promote and secure the development of Delhi according to the Master Plan for Delhi. As the Authority has no financial resources of its own to meet the necessary expenditure on establishment and contingencies, etc., it has to be met by the Grants-in-aid by Government. The provision of Rs. 42,26 lakhs is to meet such commitment for the year 1958-59	42,26
	CONTRIBUTION TO W.H.O.	
	This amount is assessed by the World Health Assembly for each Country every year and it varies between Rs. 19,00,000 to 21,00,000. It is paid to World Health Organisation in one or two instalments every year	20,00
	CONTRIBUTION TO UNICEF	
	This amount relates to Voluntary Contribution which is paid to United Nations International Children Emergency Fund annually. As the aid by UNICEF to India has been increased the UNICEF has appealed for increase in the contribution for 1958 and as such more provision has been made in the Budget Estimates for 1958-59.	18,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF HOME AFFAIRS	
	CABINET SECRETARIAT	
57.— Statistics	Lump provision to meet expenditure on Middle Class Family Budget Survey	5,00
	GRANTS-IN-AID	
	GRANTS-IN-AID TO STATE GOVERNMENTS FOR STATISTICAL PURPOSES	
	This includes provision to meet Government of India's share of the expenditure on a 50 : 50 basis on State Statistical schemes in the Second Five Year Plan for approved schemes of development of statistics, *e.g.*, (*i*) strengthening of the State Statistical Bureau for overall planning needs ; (*ii*) Setting up of District Statistical Agency; (*iii*) Training of personnel; and (*iv*) Statistical work for Community Project Administration and National Extension Service Areas	13,50
	GRANTS-IN-AID TO STATE GOVERNMENTS FOR NATIONAL SAMPLE SURVEY COLLABORATION, ETC.	
	Grants-in-aid are being given to some of the State Governments for collaboration between National Sample Survey and State Statistical Bureaus. The scheme is being extended to the remaining States	13,00
	GRANTS-IN-AID TO INDIAN STATISTICAL INSTITUTE FOR NATIONAL SAMPLE SURVEY TABULATION WORK.	
	The data collected by the National Sample Survey through series of enquiries on random sample basis, as part of the work of normal National Sample Survey rounds bearing on various aspects of socio-economic life, crop cutting surveys and *ad hoc* surveys conducted on the request of other Ministries of the Govt. of India is tabulated at the Indian Statistical Institute. The cost incurred by the Institute is reimbursed to them by Govt. grants	53,00
	GRANTS-IN-AID TO INDIAN STATISTICAL INSTITUTE FOR ITS ACTIVITIES	
	The Indian Statistical Institute has been receiving regular grants from the Central Govt. since 1935. The Institute is being developed as the focal centre for professional training and research in Statistics on the lines of a higher technological Institute. The provision is for grants for Research and training centre, for work relating to planning and Statistical Quality Control etc. Provision of Rs. 15 lakhs for capital grants has also been included	42,00
60.— Himachal Pradesh	EDUCATION DEVELOPMENT SCHEMES	25,25
	COMMUNITY DEVELOPMENT PROJECTS, NES SCHEMES	35,19
	SCHEMES FOR THE WELFARE OF SCHEDULED CASTES, SCHEDULED TRIBES AND BACKWARD CLASSES	12,06
	GRANTS TO THE HIMACHAL PRADESH TERRITORIAL COUNCIL FOR 1958-59	35,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF HOME AFFAIRS—*cond.*	
62.– Manipur . . .	PAYMENT OF GRANT TO MANIPUR TERRITORIAL COUNCIL UNDER SECTION 37 OF THE TERRITORIAL COUNCIL ACT, 1956	8,00
	LUMP PROVISION FOR MEETING EXPENDITURE IN RESPECT OF UNITS OF ASSAM RIFLE EMPLOYED IN MANIPUR .	25,00
	LUMP PROVISION FOR MEETING EXPENDITURE ON ACCOUNT OF THE DEPUTATION OF 4 COMPANIES OF EASTERN FRONTIER RIFLES TO MANIPUR . . .	14,00
	SCHEMES FOR THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES AND BACKWARD CLASSES . .	30,43
	EDUCATIONAL DEVELOPMENT SCHEMES. . . .	10,53
	SCHEMES UNDER COMMUNITY PROJECT AND N.E.S. PROGRAMME IN MANIPUR	6,15
63.– Tripura . . .	GRANT TO TRIPURA TERRITORIAL COUNCIL UNDER SECTION 37 OF THE TERRITORIAL COUNCIL ACT, 1956 .	20,00
	GRANT TO AGARTALA MUNICIPALITY	11,00
65.– Miscellaneous Departments and expenditure under the Ministry of Home Affairs.	PROVISION FOR THE PURCHASE OF STORES AND EQUIPMENT SUCH AS TRAILER PUMPS, ANCILLARY FIRE-FIGHTING EQUIPMENT ETC., FOR EMERGENCY RELIEF . . .	1,00,00
	GRANTS-IN-AID TO JAMMU AND KASHMIR ON ACCOUNT OF FOOD SUBSIDY	1,25,00
	GRANTS FOR THE WELFARE OF BACKWARD CLASSES . .	5,02,07
	CONTRIBUTION FOR SOCIAL AND MORAL HYGIENE AND AFTER CARE.	75,00
117.– Loans & Advances .	LOANS TO STATE GOVTS. FOR POLICE HOUSING SCHEMES .	2,00,00
	WAYS AND MEANS ADVANCES TO JAMMU AND KASHMIR GOVT. FOR THE PURCHASE OF FOOD GRAINS . .	1,50,00
	ADVANCES FOR COLONISATION SCHEMES IN ANDAMAN AND NICOBAR ISLANDS	15,62
122.– Capital Outlay of the Ministry of Home Affairs.	DEVELOPMENT GRANTS TO STATES UNDER GADGIL COMMITTEE'S AWARD TO MADHYA PRADESH AND RAJASTHAN	52,47
	PURCHASE OF A NEW SISTER SHIP AND LAUNCH FOR ANDAMAN AND NICOBAR ISLANDS	34,50
	PURCHASE OF A SECOND LAUNCH FOR ANDAMAN AND NICOBAR ISLANDS	6,00
	COIR MONOPOLY SCHEME IN LACCADIVE, MINICOY AND AMINDIVI ISLANDS	6,14

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
MINISTRY OF INFORMATION AND BROADCASTING		
67.—Broadcasting . .	LUMP PROVISION FOR NEW TRANSMITTERS	
	Certain transmitters and Stations provided for in the schemes for Development o f Broadcasting in India are likely to come on the air during 1958-59. The provision is required for expenditure on staff, programme and other charges in connection with the maintenance of these transmitters etc. during 1958-59 . .	8,00
	GRANTS-IN-AID TO STATE GOVERNMENTS FOR COMMUNITY LISTENING SCHEME	
	It is proposed to grant subsidy to State Governments for installation of Community receiving sets in rural areas covered by A.I.R. under the Five Year Plan. The Planning Commission have approved the proposal subject to the condition that 25% of the cost of the Scheme should be contributed by the villagers concerned, 25% by the State Government and the remaining 50% by the Central Government . .	15,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF IRRIGATION AND POWER	
70.—Multipurpose River Schemes.	TECHNICAL TRAINING CENTRES	
	The provision is for expenditure in connection with the running of two Technical Centres set up, one each at Kotah and Nagar Junasagar, in 1955 and 1956, to impart training to operators and mechanics required for the efficient running and maintenance of the specialised earth-moving machinery and equipment generally used on River Valley Projects	5,01
	MADHYA PRADESH PROJECT	
	Surveys and investigations of four multipurpose schemes in Madhya Pradesh were sanctioned during 1956-57, at a cost of Rs. 44,51,200. After re-organisation of States two Projects have come under the jurisdiction of Bombay State and the State Govt. have decided to take up investigation of these Projects by their own staff. The remaining two projects have been taken up by the Centre during 1957-58 at an estimated cost of Rs. 21,90,800 for which necessary provision has been proposed in the estimates for 1958-59. The expenditure in this regard is recoverable from Madhya Pradesh Government	6,00
	IDDIKI PROJECT	
	The provision is in respect of surveys and investigations on a hydel project on Periyar river near Iddiki site in Kerala State. This work has been taken up during the year 1957-59 and is to be continued for a period of three years	6,00
	GANGA BASIN WATER STUDIES	
	The provision is in connection with a proper study of Ganga Basin Waters for a period of three years by setting up hydrological observation sites throughout the basin in U.P., Bihar, West Bengal, Madhya Pradesh and Rajasthan for which an estimated expenditure of Rs. 28,96,380 was sanctioned by the Government of India. The entire cost is to be ultimately charged *pro rata* to the project estimates to be sanctioned in due course on the basis of these investigations. This is a new work undertaken during the year 1957-58 and is being executed through the agency of different State Government	11,87
	INVESTIGATIONS IN :—	
	(i) THE BRAHAMPUTRA BASIN	22,63
	(ii) THE GANGA BASIN	8,32
	(iii) THE CENTRAL INDIA AND DECCAN RIVERS BASINNS .	13,57
	It has been decided that expenditure on the investigations undertaken by the Central Water and Power Commission for national development should be borne by the Central Government in the first instance and debited in due course to such projects as might materialise as a result of such investigations. The Expenditure involved is adjustable against the Second Plan allocation of Rs. 60 crores for food control measures all over the country	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF IRRIGATION AND POWER—*contd.*	
71—Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power	FUNDAMENTAL AND BASIC RESEARCH With a view to encouraging research in the country on problems of basic and fundamental nature pertaining to river valley projects and flood control works and also to achieve economies by development of proper technique with the aid of research, a scheme of research proposed by the Central Board of Irrigation and Power has been sanctioned. The total cost of the scheme is estimated at Rs. 106 lakhs including provision for additional equipment, staff, experimental expenditure and supervision charges. A sum of Rs. 9 crores has been provided in the Second Five Year Plan for investigation and research	20,00
124—Capital Outlay on Multipurpose River Schemes	LAND AND BUILDINGS FOR CENTRAL WATER AND POWER RESEARCH STATION, POONA Some new Schemes for the expansion of the Poona Research Station have been included in the Second Five Year Plan and the Planning Commission have approved a total provision of Rs. 147·5 lakhs for these schemes. Of this amount, Rs. 96 lakhs have been sanctioned by the Government of India for implementation of the various expansion schemes ; the main components of the scheme are :— (*i*) Development of an additional area of 150 acres for field research work (*ii*) Provision for Indoor Hydraulic-*cum*-High Head Structures Testing Laboratory for conducting experiments (*iii*) Provision for an Instruments Laboratory for developing instruments at the Station to suit the special and exact requirements of experimental work conducted at the Station (*iv*) Provision for a Laboratory-*cum*-office building and staff colony at Khadakwasla Provision of Rs. 18 lakhs has been made in the budget estimates for 1958-59 for land and building for the Poona Research Station	
125—Other Capital Outlay of the Ministry of Irrigation nad Power	ELECTRICITY SCHEMES IN HIMACHAL PRADESH Provision for (*i*) extension of electric supply from Joginder Nagar, Mandi and Baggi-Jhanjeli to certain other places in Himachal Pradesh, (*ii*) Electrification of Paonta-Minus Area, Nahan Paonta Valley, Arkie-Kunihar and surrounding areas, Theog Kotkhai and Narkand area of Mahasu District, Rohru and Jubbal areas, Rampur-Kotgarh areas, Suni, Karsog and surrounding areas, Bilaspur and Gumarwin Dehar area, Bhattyat Valley and surrounding areas of Chambal District, Tissa and surrounding areas and Bharamour and surrounding areas and (*iii*) replacement of old turbo set and change-over of power supply system from D.C. to A.C. at Chamba. . .	30,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF IRRIGATION AND POWER—*contd.*

ELECTRICITY SCHEMES IN TRIPURA

Provision is for (*i*) nationalisation of Agartala Electric Supply Company, (*ii*) purchase of 243 KW diesel generating set, (*iii*) Construction of office building, store, godown and staff quarters, (*iv*) expansion of Agartala Electric Supply, (*v*) Electrification of four sub-divisional towns, (*vi*) Electrification of four additional towns of Teliamur, Kumarghat, Melaghar and Amarpur and (*vii*) Survey and investigation of Hydro-electric Schemes 11,00

ELECTRICITY SCHEMES IN MANIPUR

Provision is for (*i*) Spill over work of First Five Year Plan in respect of Rehabilitation of Power Supply and Second Hydro-Scheme at Leimakhong, (*ii*) augmentation of generating capacity and extension of H.T. Lines for rural electrification schemes, (*iii*) Litan Project on Thoubal river . . . 16,47

FLOOD CONTROL WORKS IN DELHI

Flood Control Works in Union Territories are the direct responsibility of the Centre. And for such Works there is a provision of 75 lakhs in the Second Five Year Plan

The budget provision of Rs. 14·91 lakhs for 1958-59 is required to cover :

(*a*) Delhi Administration's share of the cost of the scheme for raising and strengthening the marginal bund on the left bank of the river Yamuna from the railway bridge to the Okhla Weir (Rs. 10.68 lakhs),

(*b*) Expenditure on other minor flood control schemes in Delhi territory (Rs. 3·23 lakhs), and

(*c*) Extension of the Western Yamuna Canal to Delhi territory (Rs. 1 lakh) 14,91

NATIONAL PROJECT CONTSRUCTION CORPORATION (PRIVATE) LIMITED

To assist the State Governments who have not got an adequate organisation for the execution of river valley projects, and to ensure the optimum utilisation of available technical personnel and serviceable machinery rendered surplus on projects nearing completion, the National Projects Construction Corporation (Private) Ltd., was incorporated under the Companies Act on the 9th January, 1957 with a nominal capital of Rs. 2 crores. The Corporation has undertaken some works on the Chambal Project Canal system, estimated to cost about Rs. 2·5 crores.

The scheme is included in the Second Five Year Plan with a provision of Rs. 50 lakhs for the Centre's contribution, 25 lakhs in 1957-58 and the balance 25 lakhs in 1958-59 25,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF LABOUR AND EMPLOYMENT	
74—Miscellaneous Departments and other expenditure under the Ministry of Labour and Employment	SCHEME FOR WORKERS' EDUCATION	
	The Scheme for Workers' Education seeks to give training to workers in the principles and techniques of trade union organisation, for intelligent participation in union affairs, for better performance of duties as citizens and effective participation in management .	12,00
	INTERNATIONAL LABOUR ORGANISATION	
	India's share of contribution to the International Labour Organisation as a Member country . . .	12,04
	Payments to other State Govts. on account of National Employment and Training Schemes . . .	2,89,05
	Schemes for the training of Educated unemployed	10,00
	Incidental expenses such as inland freight charges, customs duties etc. on Russian Aid Equipment .	5,15
	Purchase of tools and equipment for the Central Training Institutues for instructors	12,54
	Material and equipment under the T.C.A. programme scheme for the training of Craftsmen . . .	6,75,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF LAW	
76—Elections	OTHER ELECTION CHARGES	
	The provision of Rs. 1,75,50,000 is required for :—	
	(*i*) Payments to State Govts. towards Central Government's share of extra expenditure incurred/to be incurred in connection with the preparation and printing of electoral rolls and conduct of elections and by-elections to Parliament,	
	(*ii*) Election Tribunals, and	
	(*iii*) Election expenditure in the Union Territories of Delhi, Himachal Pradesh, Manipur and Tripura.	1,75,50

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF REHABILITATION

79—Expenditure on displaced persons and Minorities.

RELIEF OF DISPLACED PERSONS

Provision is made for expenditure on relief of displaced persons in the Union Territories of Delhi, Himachal Pradesh, Tripura and Manipur and other expenditure incurred by the Central Government for the purpose. 19,00

GRANTS-IN-AID

GRANTS TO STATES

Provision is for expenditure on the relief of destitute displaced persons from East and West Pakistan and displaced persons from Jammu & Kashmir residing in Homes, Camps, etc. run by the State Governments. It includes expenditure on medical charges, feeding, clothing, accommodation and sanitation etc. and expenditure on education and vocational training in Homes and Camps run by State Governments 7,35,19

OTHER GRANTS

Provision is for expenditure on relief of destitute displaced persons in the townships of Faridabad, Rajpura etc. and in Institutions run by Private Organisations 29,66

MISCELLANEOUS

Provision is for expenditure of a miscellaneous nature on relief of displaced persons 64,62

REHABILITATION OF DISPLACED PERSONS

VOCATIONAL TRAINING

Provision is for expenditure on Vocational Training Schemes, Education, Industries etc. in the Union Territories and other Miscellaneous expenditure . 58,72

GRANTS-IN-AID TO STATES

Provision is for Central Government's share of expenditure on Headquarters staff for Vocational Training Schemes, Educational Grants and other Rehabilitation Schemes in the various States 4,18,44

GRANTS TO STATES TOWARDS LOSSES ON LOANS TO DISPLACED PERSONS

Bonafide losses on rehabilitation loans are shared between the Centre and the State Governments in the ratio of 50 : 50. The provision represents amount debitable against the Central Government on this account, mainly in respect of loans granted to displaced persons] from East Pakistan 11,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF REHABILITATION—*contd.*	
	GRANTS TO STATES OR INDUSTRIES	
	The provision represents expenditure on the subsidy granted by the Central Government to States for installing industries to remove unemployment in the colonies set up for dispalced persons . . .	
	WORKS	
	Provision is for maintenance charges, annual repairs etc. of buildings constructed in or round Delhi and other Union Territories for housing displaced persons .	13,00
	EXPENDITURE ON MANAGEMENT, SALE ETC. OF ACQUIRED EVACUEE PROPERTY	
	Provision is for management of an repair to acquired Evacuee Property etc., forming part of the Compensation Pool	17,00
117.—Loans and Advances by the Central Government.	LOANS TO STATES FOR REHABILITATION PURPOSES	
	Provision is for meeting requirements of various states for Housing, Urban, Rural and Industrial Loans, to be given to displaced persons from East and West Pakistan and from Pakistan held areas of Jammu and Kashmir for their rehabilitation	8,34,00
	ADVANCES TO CULTIVATORS	
	Provision is for expenditure on Rural loans to displaced persons in the Union Territories of Tripura and Manipur	1,30,00
	MISCELLANEOUS LOANS AND ADVANCES	
	(*i*) REHABILITATION LOANS TO DISPLACED PERSONS	
	Provision is for Housing and Industrial loans to the Faridabad Development Boards for expenditure on displaced persons from West Pakistan . . .	18,00
	(*ii*) LOANS TO DISPLACED PERSONS IN UNION TERRITORIES	
	Provision has been made to meet the requirements of Housing, Urban and Industrial loans for displaced persons in the Union Territories of Delhi, Tripura and Manipur	18,00
	(*iii*) INTERIM RELIEF TO DISPLACED PERSONS	
	This provision is for expenditure on interim relief granted to displaced persons from West Pakistan pending recovery from Pakistan Government of the amounts of pension, Provident Fund etc. due to them on account of services rendered in the areas now in Pakistan	37,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF REHABILITATION—*contd.*	
27—Capital Outlay of the Ministry of Rehabilitation.	PAYMENT TO DISPLACED PERSONS	
	Provision is for payment of compensation to displaced persons against verified claims for immovable property left in Pakistan. A sum of 8 crores will be paid in cash, Rs. 3 crores by adjustment of value of property and Rs. 7 crores by adjustment of loans etc. against Compensation	18,00,00
	DANDAKARANYA DEVELOPMENT SCHEME	
	The provision is for reclamation and development of the area known as 'Dandakaranya' bordering the States of Andhra Pradesh, Madhya Pradesh and Orissa, for rehabilitation of displaced persons from East Pakistan. It is expected that a total amount of Rs. 10 crores will be required for this purpose during the first three years beginning from 1957-58, out of which Rs. 3 crores will be needed during 1958-59	3,00,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF STEEL, MINES AND FUEL	
81—Geological Survey of India.	EXPANSION OF GEOLOGICAL SURVEY	
	The provision has been included in the Budget Estimates 1958-59 for providing staff and equipment for further expansion of activities of the Geological Survey of India under Second Five Year Plan . .	44,95
82—Exploration of Oil and Natural Gas.	EXPLORATION OF OIL AND NATURAL GAS	
	The provision has been included in the Budget estimates for providing staff, equipment and operational expenses in connection with the exploration and prospecting for oil in Punjab, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Bombay, Uttar Pradesh and Assam. It includes expenditure on geological Survey, deep and structural drilling, electrologing and gas-loging, training in India and abroad, services of foreign personnel and charges in England.	2,18,135
82—Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel.	INDIAN BUREAU OF MINES	
	The I.B.M. has undertaken extensive investigation work under the Second Five Year Plan, for prospecting of minerals in the country particularly for copper, sulphur, lead, zinc etc. as a necessary pre-requisite to the economic exploitation of minerals and formulation of a firm policy of all round mineral development. The important investigations included in the Second Five Year Plan are (1) Exploration of Khetri and Daribo copper deposits (2) Exploration of Panna Diamond deposits (3) Exploration of Amjor Pyrites and (4) investigation of lignite in Kashmir. The programme itself is a continuous one and the investigations already started will be continued during the next financial year. The provision asked for is within the Plan allotment of Rs. 214 lakhs	13,40
117—Loans and Advances by the Central Government.	LOAN TO NATIONAL COAL DEVELOPMENT CORPORATION (PRIVATE) LTD.	
	This is a cent per cent Government owned Corporation established for the maintenance and development of existing eleven State Collieries—and for the establishment of new coal mines in the Public Sector during the Second Five Year Plan so as to achieve the target of additional coal production of 12 million tons by 1960-61	5,00,00
128—Capital Outlay of the Ministry of Steel, Mines and Fuel.	PURCHASE OF SHARES OF NEYVELI LIGNITE CORPORATION (PRIVATE) LIMITED	
	The execution of the Integrated Project as a whole has been accepted in principle by Government who have already sanctioned the immediate implementation of its mining part. It has been estimated that a total volume of 27 million cubic yards of overburden will have to be removed over the first mineout	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF STEEL, MINES AND FUEL—*contd.*

area beofore the lignite could be exposed for mining. According to present indications reasonable quantities of lignite will be mined only by the end of 1960 and the target output 3·5 million tons per annum will be achieved by the end of March, 1961.

The other constituent schemes are (1) production of 2,50,000 K.W. of power in a Thermal Power Station using linite as fuel (2) manufacture of fertilizers in the form of urea (3) production of carbonized briquettes. While some steps have already been taken towards the implementation of the first two schemes, plans for the Briquetting and Carbonising plant will be drawn up only after large scale tests on Neyvelli have been successfully completed. Russian aid will be available for a ma or part of the completion on (1). 7,00,00

OIL EXPLORATION SCHEME —OIL AND NATURAL GAS COMMISSION

The provision of Rs. 165·00 lakhs has been made in 1958-59 to cover the cost of 3 deep drills already purchased from USSR. It also includes provision for procurement of Geological and Geophysical equipment, Transport Vehicles and construction work in field areas required in connection with the exploration and prospecting for oil by the Oil and Natural Gas Commission in various areas in the country . . 1,65,00

CONTRIBUTION TO INDO-STANVAC PETROLEUM PROJECT

In December, 1952 the Government of India entered into an agreement with the Standard Vaccum Oil Co., for exploration of oil in West Bengal under this agreement, Government contributes 25% of the cost of Joint Operations under the Indo-Stanvac Petroleum Project. A sum of Rs. 51·54 lakhs has been provided in Budget Estimates 1958-59 on account of Government's contribution to the cost of project during the year. This is a contractual obligation 51,54

OIL INDIA (PPRIVATE) LTD.

Negotiations have been concluded with the B.O.C./A.O.C. only recently regarding formation of a Rupee Company in partnership with them for the production and transportation of crude oil in Assam. The Government of India will participate in the Joint venture to the extent of 33 1/3%. A token provision of Rs. 10 lakhs has been made in 1958-59 budget. 10,0 0

PURCHASE OF SHARES IN SINGARENI COLLIERIES (PRIVATE) LIMITED

Expansion scheme of the Singareni Collieries has been included in the Public Sector and it has been agreed that the necessary financial assistance for the purpose will be rendered by the Central Government.

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF STEEL, MINES AND FUEL—*contd.*

The Singareni Collieries are at present predominantly owned by the Andhra Pradesh Government and it is proposed that the Centre should have a majority share holding of about 2/3rd in the share capital of the Company and proportionate representation in the Board of Directors. The matter is under negotiation with the Andhra Pradesh Government.

Funds are required to purchase the shares of the Singareni Collieries by the Central Government pursuant to the participation of the Central Government in the finances and management of these Collieries, as stated above 30,00

ACQUISITION OF COAL BEARING AREAS

The Coal Bearing Areas (Acquisition & Development) Act, 1957 contemplates the acquisition of unworked coal bearing areas that may be required by the Government for prospecting and establishment of new collieries. Funds will be required to meet the cost of tribunals, acquisition of lands and mining rights and various possible litigations . . . 50,00

PURCHASE OF SHARES IN THE NATIONAL COAL DEVELOPMENT CORPORATION (PRIVATE) LTD.

It is proposed that the lands and rights acquired under the Coal Act shall vest in the National Coal Development Corporation (Private) Ltd. When the rights and lands are vested in the Corporation, it will issue shares to the extent of the expenditure incurred on that behalf 50,00

EXPENDITURE ON EXPLORATION AND DRILLING IN VARIOUS COAL FIELDS—INDIAN BUREAU OF MINES

A target of production of an additional 12 million tons of coal by the Public Sector by 1961 has been laid down in the Second Five Year Plan. The Indian Bureau of Mines has been entrusted with the detailed exploration and drilling in various coal fields necessary to prove reserves of about 800 million tons during the Five Year Plan period. On the basis of the experience gained by actual working a revised scheme involving a reduced expenditure of Rs. 398·45 lakhs has been prepared. The provision of Rs. 62·40 lakhs is for continuing the work during the year 1958-59 and includes provision for staff equipment and operational charges. The entire expenditure will be recovered from the National Coal Development Corporation (Private) Ltd. . . 62,40

PURCHASE OF SHARES IN HINDUSTAN STEEL (PRIVATE) LIMITED

Construction of three Steel Plants at Rourkela, Bhilai and Durgapur 1,57,88,50

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF STEEL, MINES AND FUEL—*contd.*

ROURKELA STEEL PROJECT

Provision of Rs. 45,46,00,000 has been made during 1958-59 to enable the Project to meet the expenditure on payments to suppliers of Plant and Machinery fee of the German Technical Consultants; development of iron ore mines; construction of buildings, roads, etc. both in the township and the steel works; land acquisition, power and water supply and civil engineering works at the plant site, in addition to expenses on the administration both at Rourkela and of the Head quarters office at New Delhi. . . . . .

BHILAI STEEL PROJECT

The estimated expenditure of this project during 1958-59 is Rs. 58,69,00,000. Contracts have been concluded with the Soviet Organisations for the supply of machinery and equipment worth about Rs. 79·26 crores. Provision has been made for the cost of machinery and equipment to be supplied by the Government of USSR, payment of fees to the Soviet Organisation, pay and allowances of the Soviet experts working at Bhilai; expenses of development of the Township; land acquisition, water supply, civil engineering works at Plant site; development of transport facilities; purchase of tools and plants in India and expenses on General Administration . . . . . .

DURGAPUR STEEL PROJECT

Construction of Durgapur Steel Plant is in progress. The estimated expenditure on this Project during 1958-59 is Rs. 53,73,50,000. Provision has been made for the payment to the consortium under the contract; fees for the consulting engineers; acquisition of land, construction of the Township and expenses on the General Administration . .

ESTABLISHMENT OF TWO-COAL-WASHERIES

As a measure of conservation of the limited reserves of the metallurgical coal, it has been decided that the steel industry should use washed coal. The capacity of coal washeries, both existing and under construction, is inadequate to meet the total demand of washed coal, estimated at 10 million tons by the end of 1959-60. The deficit of about 4·6 million tons will be met by the establishment of two Government coal-washeries on the coal fields. Provision has been made for 10% down payment of the machinery to be imported during 1958-59 and other payments which might have to be made during that year under the terms of the contract . 1,00,00

PURCHASE OF SHARES IN BOLANI ORES (PRIVATE) LTD.

For the supply of iron ore to the Durgapur Steel Project, a company called M/S Bolani Ores (Private) Ltd. has been floated in collaboration with M/S

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF STEEL, MINES AND FUEL—*contd.*	
	Orissa Minerals Development Co. Ltd., Calcutta for working the iron ore mines at Bolani. The total share capital of the Company is Rs. 1 crore. The capital is to be subscribed by the Government of India and M/S Orissa Minerals Development Co. Ltd., in the ratio of 50·6 : 49·5. The provision of Rs. 40·40 lakhs during 1958-59 represents Government's share of investment out of the estimated total expenditure of Rs. 80 lakhs proposed to be incurred by the Company	40,40
	ESTABLISHMENT OF THE 4TH STEEL PLANT AT BOKARO.	
	Planning Commission have in principle agreed to the Establishment of the 4th Steel Plant at Bokaro. The amount of Rs. 50 lakhs during the year 1958-59 is required for the preparatory work, like drilling of text holes, general levelling of site, planning of township, planning of the permanent water and sewage systems and the construction of main roads, offices and residential accommodation etc., which do not involve foreign exchange. . . .	50,00
	MATERIAL AND EQUIPMENT UNDER T. C. A. PROGRAMME	
	Provision has been made in the Budget for estimated expenditure on distribution of steel proposed to be imported which includes the estimated cost based on prices in world markets and the expenditure in India on customs duty, handling and clearing charges etc. The expenditure will be recouped partly by the sale proceeds of steel, partly from credits from the funds made available by the U. S. Government and partly from the Iron and Steel Consolidation Fund	1,39,90

(In thosands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF TRANSPORT AND COMMUNICATIONS	
84.—Ministry of Transport and Communication.	TOURIST PUBLICITY	
	The provision relates to the expenditure on the purchase of Guide Books, Photographs, Picture Post Cards, Cottage Industry's products, Library books, etc. and on freight charges ,T.A. for non-official Hospitality and Public Relations, Pilot Survey, Scholarships, etc..	8,00
86.—Lighthouses and Lightships.	PROVISION IS FOR THE SCHEME OF IMPROVEMENT OF AIDS TO NAVIGATION ALONG THE COAST OF INDIA.	90,00
88.—Communication (including National Highways.)	PURCHASE OF TOOLS AND PLANT BY THE PUBLIC WORKS DEPARTMENTS OF VARIOUS UNION TERRITORIES, FOR THE CONSTRUCTION AND DEVELOPMENT OF ROADS OTHER THAN NATIONAL HIGHWAYS . . .	10,00
	MAINTENANCE OF ROADS, CLASSED AS NATIONAL HIGHWAYS IN VARIOUS STATES, UNION TERRITORIES AND SIKKIM	4,60,00
	MAINTENANCE OF ROADS OTHER THAN NATIONAL HIGHWAYS VARIOUS UNION TERRITORIES AND SIKKIM .	60,00
	REPAYMENT OF CAPITAL EXPENDITURE ON GRANTS FOR DEVELOPMENT OF STATE ROADS OF ECONOMIC OR INTER-STATE IMPORTANCE	60,00
92.—Aviation. . .	SUBSIDIES TO FLYING AND GLIDING CLUBS	
	In pursuance of the Government's policy of progressive development of Flying activities in the country, subsidies are given every year to Flying clubs in order to enable them to train Pilots. There are at present fourteen such Flying Clubs and one more Club is proposed to be established in Assam State during the next year	17,49
93.—Miscellaneous expenditure under the Ministry of Transport and Communications.	SUBSIDY TO SHIPBUILDING INDUSTRY	
	The provision is made for giving subsidy to Hindustan Shipyard (Private) Ltd., to enable them to sell their ships at U. K. Parity prices	90,00
	MONITORING ORGANISATION	
	A scheme for the setting up of a net work of Monitoring Stations; six in number at Delhi, Bombay, Nagpur, Calcutta, Madras and one other suitable place, was approved during the year 1954. The present provision is for the continuance of the establishment and for the purchase of wireless equipment for the Monitoring Organisation, as in the previous year	6,39
	CONTRIBUTION TO STATES FOR DEVELOPMENT OF INLAND WATER TRANSPORT	10,00
	DEVELOPMENT OF PANDU PORT AND OTHER INLAND RIVER PORTS.	5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
MINISTRY OF TRANSPORT AND COMMUNICATIONS—*contd.*		
117.—Loan and Advances by the Central Government . .	INDIAN AIRLINES CORPORATION	
	Provision is for meeting Cash losses . .	48,00
	INDIAN TELEPHONE INDUSTRIES (PRIVATE) LIMITED	
	Central Government's assistance as loans to the Indian Telephone Industries is to the extent of Rs. 50 lakhs to enable them to implement their capital expenditure programme of 218 lakhs for the Second Five Year Plan period. A provision of Rs. 12 lakhs is made for this purpose as in the previous two years	12,00
	DELHI ROAD TRANSPORT AUTHORITY . .	25,00
	DEVELOPMENT OF MINOR PORTS	
	In pursuance of the recommendations of the National Harbour Road it was proposed to extend Central assistance for the development of certain selected ports during the Second Five Year Plan period by the grant of loans to State Governments, Provisions for such assistance are being made each year in the Budget Estimates. The provision of Rs. 50 lakhs in 1958-59 is intended for the grant of such loans to the various maritime states . .	50,00
	LOANS FOR DEVELOPMENT SCHEMES OF TRUST PORTS OF CALCUTTA, BOMBAY AND MADRAS AND THE PORT OF COCHIN	5,00,00
	LOANS TO PRIVATE SHIPPING COMPANIES FOR PURCHASE OF SHIPS FOR COASTAL AND OVERSEAS TRADE .	6,86,00
	EQUIPMENT TO CIVIL AVIATION DEPARTMENT . .	12,35
129.—Capital Outlay on Ports.	KANDLA PORT	
	The first stage works of the Kandla Port porject are estimated to cost Rs. 14·23 crores. Provision of Rs. 245 lakhs has been made in the Budget Estimates for 1958-59	2,45,00
	DEVELOPMENT OF TOWNSHIP OF THE GANDHIDHAM	
	The scheme for the development of Gandhidham Township is estimated to cost Rs. 357 lakhs. Provision of Rs. 60 lakhs has been made in the Budget Estimates for 1958-59	60,00
	DEVELOPMENT OF MINOR PORTS IN ANDAMAN AND NICOBAR ISLANDS	
	The Second Five Year Plan includes a provision of Rs. 5 crores for the development of Minor Ports. Of this Rs. 55 lakhs are intended to be given for the development schemes of minor ports in Andamans and Nicobar Islands to be incurred as direct Central expenditure. A provision of Rs. 5 lakhs has been included in the Budget Estimates for 1958-59 for the purpose	5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
MINISTRY OF TRANSPORT AND COMMUNICATIONS—*contd.*		
	DEVELOPMENT SCHEMES OF VIZAGAPTAM PORT	
	The provision is for construction of additional berth at Vizagapatam Port work connected with the oil Refinery at Vizagapatam and also for small items required for the normal development of the Port .	95,00
130.—Capital Outlay on Roads.	CONSTRUCTION AND DEVELOPMENT OF NATIONAL HIGHWAYS IN VARIOUS STATES, UNION TERRITORIE AND SIKKIM	9,00,00
	CONSTRUCTION AND DEVELOPMENT OF ROADS, OTHER THAN NATIONAL HIGHWAYS IN UNION TERRITORIES SIKKIM AND TRIBAL AREAS OF ASSAM AND CERTAIN ROADS OF SPECIAL IMPORTANCE	3,75,00
	STATE ROADS OF ECONOMIC AND INTER-STATE IMPORTANCE	
	The provision is for financial assistance to be given to States for the development of the following categories of roads :—	
	(*a*) Inter-State roads necessary for ensuring through communications	
	(*b*) Roads required for opening up new areas to which railway facilities cannot be provided in the near future ; and	
	(*c*) Roads which can contribute materially to rapid economic development of the country . .	2,50,00
131.—Capital Outlay on Posts and Telegraphs . . .	CONSTRUCTION OF R. M. S. BOGIE MAIL VANS .	8,25
	PURCHASE OF EX-CEYLON COMMISSIONER'S PROPERTY FOR TELECOMMUNICAION CENTRE AT TIRUCHIRAPALLI (MADRAS)	8,00
	INSTALLING 12 CHANNEL CARRIER LINKING CALCUTTA-SILIGURI-GAUHATI	5,80
	RAIPUR GATE EXCHANGE -EXPANSION BY 1000 LINES	10,90
132.—Capital Outlay on Civil Aviation.	AVIATION WORKS	
	The provision is for meeting the expenses in connection with the construction of new aerodromes a Behala, Ratnagiri Calicat/Dehra Dun and also for the execution of number of works in the existing air ports and also for the purchase of essential equipments to them	33,00
133.—Other Capital Outlay of the Ministry of Transport and Communication.	AIR-INDIA INTERNATIONAL	
	Provision is for making advance payments on orders for spare engines, instalment payment for the 3 boeing Jet aircraft on order, Redemption of 3½% Compensation bonds and also for expansion of Workshops	3,34,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59

MINISTRY OF TRANSPORT AND COMMUNICATIONS—*contd.*

INDIAN AIRLINES CORPORATION

Provision is for meeting miscellaneous items of Capital expenditure such as modification of aircraft, Surface Transport, Renovation of Booking Offices, Catering and Cabin Service Equipment, Machinery, Equipment and tools for Engineering Workshops, etc., Construction of Office Building and for Redemption of 3½% Compensation bonds . .	3,32,80

PURCHASE OF SHARES IN HINDUSTAN SHIPYARD (PRIVATE), LTD.

In view of the importance of the shipbuilding industry, Government acquired a controlling interest in the Visakhapatnam Shipyard, Government will henceforth acquire shares against the money advanced to the Shipyard to meet its development expenditure	52,06

DREDGER-CUM-SURVEY LAUNCH POOL

It is proposed to establish a dredger-cum-survey Launch pool at an estimated cost of Rs. 214·5 lakhs. With its implementation the handling capacity of the minor ports is expected to be increased from 5 to 6 million tons.	
A provision of 15 lakhs has been made in the Budget Estimates for 1958-59 for this purpose . . .	15,00

INVESTMENT IN EASTERN SHIPPING CORPORATION

A sum of Rs. 52 lakhs has been provided in the budget for paying part instalments to the Hindustan Shipyard (Private) Ltd. Visakhapatam, in respect of two ships, orders for which have been placed with the above concern for construction and delivery before the end of Second Plan	52,00

INVESTMENT IN WESTERN SHIPPING CORPORATION

Out of the sum of Rs. 250 lakhs provided for in the budget estimates for 1958-59, a sum of about Rs. 150 lakhs would be reqired for paying the three foreign shipyards (West Germany, Italy, Yugoslavia) against orders placed on them. The balance is expected to be utilised for paying to the Hindustan Shipyard on the 'Lubecker' type of vessels and for making the balance payment for one tanker and a few vessels which are proposed to be acquired this year	2,50,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
MINISTRY OF TRANSPORT AND COMMUNICATIONS—*concld.*		
	ROAD TRANSPORT IN HIMACHAL PRADESH	
	The expenditure is proposed to be incurred on the expansion of the nationalised road transport services in Himachal Pradesh under the Second Five Year Plan. Most of the areas in Himachal Pradesh are not connected by railway. Road Transport is the only means of communication there. The expansion of this form of transport is, therefore, necessary	10,50

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	MINISTRY OF WORKS, HOUSING AND SUPPLY	
117.—Loans and Advances by the Central Govt.	LOANS TO STATE GOVTS., PRIVATE EMPLOYERS AND TO INDUSTRIAL WORKERS COOPERATIVE SOCIETIES THROUGH THE STATE GOVTS. FOR CONSTRUCTION OF HOUSES FOR INDUSTRIAL WORKERS . . .	2,90,00
	LOANS FOR LOW INCOME GROUP HOUSING . .	6,25,00
	LOANS TO STATE GOVERNMENTS FOR SLUM CLEARANCE .	1,45,00
	LOANS TO STATE GOVTS. FOR PLANTATION, LABOUR, HOUSING	20,00
	LOANS TO STATE GOVTS. FOR VILLAGE HOUSING PROJECTS	70,00
	LOANS TO CENTRAL GOVERNMENT SERVANTS FOR HOUSE-BUILDING PURPOSES	40,00
135.—Capital Outlay on Buildings.	EXPENDITURE ON INDUSTRIAL HOUSING IN UNION TERRITORIES	17,50
	EXPENDITURE IN UNION TERRITORIES FOR SLUM CLEARANCE	5,00
	SUBSIDISED INDUSTRIAL HOUSING SCHEME	
136.—Other Capital Outlay of the Ministry of Works, Housing and Supply.	Under the Subsidised Industrial Housing Scheme, subsidies are paid by the Govt. of India on the cost of construction of houses built according to the pattern set by the Govt. of India for Industrial Labour by State Govts., Statutory Housing Boards, Private Employers and Registered Cooperative Societies of Industrial Workers	2,25,00
	GRANT TO STATE GOVTS. FOR SLUM CLEARANCE . .	73,00
	GRANTS TO STATE GOVERNMENTS TOWARDS THE COST OF RURAL HOUSING CELLS SET UP FOR IMPLEMENTATION OF VILLAGE HOUSING PROJECT:	5,00

(In thousands of Rs.)

No. and Name of Demand	Particulars	Budget, 1958-59
	DEPARTMENT OF ATOMIC ENERGY	
100.—Atomic Energy Research.	RESEARCH AND DEVELOPMENT OF ATOMIC ENERGY	
	The provision is intended for meeting expenditure on (*i*) various schemes of atomic energy research carried out by the Atomic Energy Establishment, Trombay (Rs. 1,03,00), (*ii*) development and production of minerals, for producing atomic energy (Rs. 83,00), and (*iii*) other miscellaneous research expenditure (Rs. 1,14,00)	3,00,00
	MATERIAL AND EQUIPMENT UNDER T. C. A. PROGRAMME	
	The provision is intended to meet the cost of equipment being obtained for Nuclear Research under the T. C. A. Programme	25,00
	CONTRIBUTION TO THE INTERNATIONAL ATOMIC ENERGY AGENCY	
	India has become a member of the International Atomic Energy Agency and took an active part both in drafting the statute of the Agency as well as the First General Conference of the Agency. The provision is to meet India's contribution to the Agency's budget according to the scale fixed . . .	5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1958-59
	LOK SABHA	
102.—Lok Sabha . .	EXPENDITURE ON PRINTING	
	Provision is for meeting the expenditure on account of Printing consequent upon this Secretariat having been declared a paying indentor	9,00

ANNEXURE VII

PROVISION FOR DEVELOPMENT EXPENDITURE

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
	1.—PLAN ITEMS			
	(A) REVENUE BUDGET			
2.—Industries	Small Scale Industries	1,00,00	85,00	1,20,00
	Institute for Small Scale Industries	76,22	71,97	1,38,00
	National Small Industries Corporation	18,00	35,00	60,00
	Development of Handloom Industries	3,23,00	3,00.29	3,42,00
	Conversion of Handlooms into Powerlooms	36,00	30,00	30,00
	Indian Standards Institute	12,80	15,27	13,83
	Development of Khadi Industry (Traditional)	1,85,00	2,93,00	2,65,00
	Ambar Charkha	3,11,61	2,00,00	2,25,00
	Silk Industries	50,00	40,00	66,93
	Handicrafts Corporation	71,07	69,23	78,93
	Development of Handicrafts —Grants to States	1,00,00	1,00,00	1,00,00
	Grants-in-aid to National Productivity Council	..	25	20,00
	Village Industries	2,25,00	2,25,00	2,25,00
	Payments to Coir Board against collection of cess on coir	12,00	8,00	12,00
	Grants to National Industrial Development Corporation (P) Ltd.	21,00	8,50	5,00
	TOTAL	15,41,70	14,81,51	17,01,69
3.—Salt	Development of existing Salt Works	2,36	..	7,50
7.—Community Development Projects and National Extension Service.	Development Officers Training Scheme	5,43	5,62	5,57
	Social Education Organisers Training Scheme	9,79	18,24	17,72
	Seminars for Project Executive Staff	40	25	25
	Study Tours and In-service Training for Project Executive Staff	6,47	1,27	1,78
	Training of Village Leaders and Youth	14,43	9,43	10,00
	Central Institute for Study and Research on Community Development	..	1,31	4,66
	Prize Competition among Village Level Workers	..	..	67
	Apprenticeships in Village Development to University Students and Teachers	2,30	2,30	2,25
	Community Development Projects	4,42,38	4,16,65	4,20,00
	National Extension Service	7,49,66	6,75,35	8,50,00
	TOTAL	12,30,26	11,30,42	13,12 90

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
13.—Ministry of Education and Scientific Research.	Establishment of Central Unit for Revision of Gazetteers .	1,00	30	94
14.—Archaeology . .	Lump provision for Archaeological Scheme . . .	8,00	..	12,22
17.—Zoological Survey of India.	Expansion and re-organisation of Zoological Survey of India .	98	98	2,99
18.—Scientific Research .	Compilation of National Atlas of India	5,00	5,00	4,50
	Oceanographic Research Wing at the Naval Physical Laboratory, Cochin . . .	1,00	50	1,50
	Geophysical Research Wing .	2,00	60	4,00
	Grants-in-aid to the Council of Scientific and Industrial Research	2,50,00	2,50,00	2,50,00
	Grants to other Research Institutes and Societies . .	6,52	1,78,02	2,47,13
	Grants to State Governments for Development of Scientific and Technical Education .	1,10,20	62,37	63,44
	TOTAL .	3,74,72	4,96,49	5,70,57
19.—Other Scientific Departments.	Development of Indian Institute of Science, Bangalore . .	5,00	5,00	..
	Grants for reorganisation and Development of Museums .	20,00	2,00	9,40
	Expansion of Technical Education Programme . .	..	..	1,00,00
	Direct Grants by Central Government for Development of Scientific and Technical Education	90,00	1,91,00	99,60
	Award of Practical Training Stipends.	8,00	8,00	8,00
	Award of Research Training Scholarships . . .	13,00	15,00	17,00
	Development Schemes—Anthropological Survey . .	3,60	1,50	2,82
	Grants for the construction of Hostels to Non-Govt. Institutions . . .	..	..	35,00
	Grants to State Govts. for construction of Students Hostels to Engineering and Technical Institutions.	..	..	40,00
	Scheme for Vigyan Madras .	3,25	2,25	5,80
	TOTAL .	1,42,85	2,24,75	3,17,62

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
20.—Education . .	Grants-in-aid to University Grants Commission . .	4,17,00	3,89,39	3,25,00
	Scholarships to students of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1,50,00	2,00,00	50.00
	Scholarships to foreigners for studies in India—Scholorships under General Cultural Scholarships Scheme . . .	12,61	13,68	2,57
	Scholarships for studies and training abroad—Indo-German Industrial Co-operation Scheme	4,23	..	4,23
	Twentv fully-paid Scholarships	1,28	73	1,35
	Scholarships for studies in Public Schools in India.—Merit Scholarships for post-Matriculation studies in India .	2,75	2,75	5,64
	Research Scholarships in Humanities	2,33	1,27	2,30
	Cultural Scholarships to Young Artists	2,40	1,90	2,35
	Scholarships for studies in Hindi to candidates from non-Hindi speaking areas . . .	1,01	1,00	2,82
	Grants to State Govts. for promotion of Hindi . . .	5,00	5,00	5,64
	Other Grants for promotion of Hindi.	7,61	5,00	6,32
	Grants to Lalit Kala Academy .	3,10	3,10	3,16
	Pre-primaiy, Elementary and Basic Education, Basic Women Education, Audio Visual Aid to Education, Library Development and Relief of Educated unemployed .	5,20,00	6,24,00	6,93,07
	Secondary Education, Rural Higher Education, Education and Vocational Guidance, Education of Handicapped and Juvenile Delinquency .	4,25,00	3,70,00	4,81.55
	Establishment of Statistical Unit	5,80	4,80	6,48
	Development of women Education at collegiate level . .	11,00	7,00	10,34
	Development of Delhi Polytechnic	..	4,15	8,00
	Central Audio Visual Education Scheme	1,50	1,50	1,41
	Establishment of Central Institute for Audio Visual Education	50	20	4,70

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
20.—Education—*contd.*	Production of Literature and Material for Basic School Teachers	1,00	50	2,82
	Misc. small schemes for Basic Education	1,00	20	94
	Grants to Non-Govt. Special Schools :			
	Indian Institute of Technology, Kharagpur	64,00	55	52,61
	Indian Institute of Technology, Bombay	21,00	11,31	22,00
	Indian Institute of Technology, Madras	..	..	4,00
	Indian Institute of Technology, Kanpur	..	..	4,00
	Production of Literature for children and neo-literates	6,00	6,00	6,58
	Education Survey	15,00	13,50	1,41
	Bringing Hindi Readers to a level of corresponding English Readers from the stand point of Culture Presentation and General Knowledge	..	80	94
	National Book Trust	2,00	1,00	4,70
	Production of Literature for Social Education Workers	1,00	20	47
	National Fundamental Education Centre	2,50	2,00	2,57
	Social Education for Urban Areas	2,00	..	4,70
	Library Institute for Training Librarians	3,00	75	2,11
	Evening Institutes for Social Education for Workers	1,50	28	85
	National Instititute for Basic Education	2,00	1,06	1,88
	Post Basic Institutions	8,00	2,00	7,05
	Expansion of Girls Education and Training of Women Teachers	25,00	25,00	70,50
	Voluntary Organisation Working in the field of Basic and Social Education	12,00	10,00	16,92
	Research in Problem connected with Secondary Education	2,00	11,75	1,64
	Introduction of Agricultural and Science Course	10,00	4,05	14,10
	Appointment of Hindi Teachers	7,00	1,00	1,88
	Central Bureau of Text Book Research	1,25	1,25	1,17
	Central Bureau of Education and Vocational Guidance	1,75	1,75	1,64

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
20—Education—*contd.*	Establishment of an English Language Institute . .	..	..	4,70
	Research in Social Welfare .	50	30	38
	Scholarships for the Orthopaedically Handicapped Children	35	35	47
	Award of Scholarships to Adult Blind	75	75	80
	Assistance to Voluntary Organisation for the Handicapped	2,00	75	2,82
	Sheletred Workshop for the Blind	98	40	94
	Women Section of the Training Centre of the Adult Blind .	..	..	47
	Expansion of the Training Centre for the Adult Blind .	..	..	47
	Establishment of Technical Training Centre for the Adult Deaf	..	..	94
	Employment Organisation for the handicapped .	50	25	94
	Short-term Regional Courses for teachers of Blind (Model School for Blind children) .	15	15	94
	Administration of the Workshop for the manufacture of the Braille Appliances .	50	25	47
	Assistance to Voluntary Organisacion for Child Welfare .	1,00	70	1,41
	Award of Scholarships to the Deaf	50	30	38
	Survey on incidence of the handicapped . . .	50	30	28
	Scouting and Guiding .	6,00	1,25	4,70
	Establishment of National College of Physical Education .	10,00	7,00	5,64
	Schemes for National Discipline	7,00	1,00	18,80
	Labour and Social Service Camps and Campus Work Projects	60,00	50,00	56,40
	Rural Higher Education .	30,00	30,00	37,60
	Assistance to Voluntary Organisation working in the field of Secondary Education .	15,00	11,00	14,10
	Public Schools . . .	1,75	50	47
	Promotion of Physical Education and Recreational Activities	8,00	1,00	9,40
	Promotion of Sports and Games	20,00	6,00	18,80
	Youth Welfare Programme .	11,00	6,00	9,40
	All India Council for Secondary Education . .	35,00	35,00	29,81

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
20—Education—*concld.*	Bal Bhavan	8,00	99	1,00
	Revision of Gazetteers	2,50	..	2,82
	Strengthening of existing Institutes of Higher learning and Research of all India importance	2,50	2,00	4,70
	Establishment of Central Institute of Indology	25	..	1,41
	Development of Sanskrit Education	1,00	50	1,88
	Assistance for publication of rare Manuscripts	1,50	25	94
	Grants to Educational Institutions for construction of hostels	..	..	22,04
	Education of Displaced Students	..	..	32,57
	Material and equipment under T.C.A. programme. Secondary Education Institutions	6,00	..	22,6
	Secondary Education—Training of Key personnel	70	35	47
	Assistance to Regional Languages	1,50	50	2,82
	TOTAL	19,83,55	18,88,26	21,48,95
21.—Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	National Library	1,00	30	56
	Central Reference Library	1,00	50	71
	Director of Archives	2,00	..	1,90
	Central Social Welfare Board	1,25,00	1,24,80	1,75,00
	History of Freedom Movement	..	15	47
	Unesco Research on Social Implications of Industrialisation in India	1,66	1,66	1,66
	Grant to the Indian Council of Cultural Relations for constructions of buildings	4,10	..	3,85
	TOTAL	1,34,76	1,27,41	1,84,15
22.—Tribal Areas	Statistics			15
	Airstrips			80
	Grants-in-aid to consumers Stores			30
	Buildings			6,32
	Forests			5,90
	Education			4,80
	Medical			7,30
	Agricul ure			4,04
	Industries			1,59
	N. E. S. Blocks			9,85
	Research			2,63
	Publicity			53
	Co-operative staff			20
	TOTAL			44,41

(In thousands of Rupees

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
23.—Naga Hills-Tuensang area	Development schemes under Forests		92	1,77
	Development schemes under Education		3,26	3,00
	Minor irrigation agricultural research and other development schemes		2,14	2,05
	Community Development Projects, local development Works and National extension service		5,05	10,84
	Development Schemes under Co-operation		64	1,33
	TOTAL		12,01	19,44
24.—External Affairs	Expenditure on Development Measures	6,61	2,85	7,60
25.—State of Pondicherry	Establishment of Medical College in Pondicherry	6,40	4,98	14,00
	Schemes met from Handloom Cess Fund=Co-operative scheme Establishment of Industrial Estate	..	1,35	1,25
			..	2,00
	State Social Welfare Board	1,25	..	55
	Expenditure on welfare of Backward classes	1,50	1,50	1,50
	National Extension Service, Pondicherry Block	2,41	3,13	6,57
	Karikal Block	1,51	1,35	1,29
	Development Schemes	90,00	44,73	60,73
	Construction of a new pier	19,70	10,00	18,52
	Industries and Supplies	..	..	2,00
	Other Development Schemes	..	..	15
	TOTAL	1,22,77	67,04	1,08,66
38.—Miscellaneous Departments and other Expenditure under the Ministry of Finance	Schemes for Public Co-operation	10,00	1,50	10,00
39.—Planning Commission	Research Programme Committee's Schemes	8,00	8,00	10,02
43.—Forest	Central Forestry Schemes	16,00	9,00	20,00
	State Forestry Schemes including Nature Conservancy	25,00	25,00	25,00
	Matchwood Plantations	6,00	7,11	8,00
	Soil Conservation Research Demonstration and Training Centres	26,70	22,25	23,91
	Soil Survey and Planning Schemes	8,05	..	..
	Soil Conservation in Rajasthan Desert	10,00	2,00	15,00
	Grants to State Governments for Soil Conservation Schemes	65,00	65,00	93,00
	TOTAL	1,56,75	1,30,36	1,84,91

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
44.—Agriculture	Agricultural Research Schemes at the Indian Agricultural Research Institute	21,43	11,05	13,42
	Agricultural Research and other Development Schemes under the Indian Council of Agricultural Research	24,02	16,84	29,87
	Project for Water Resources Survey and Minor Irrigation	6,00	6,00	30
	Project for Ground Water Exploration under the T.C.A. Programme	1,62,24	95,90	76,85
	Schemes of Agricultural Research at the Central Rice Research Institute	..	..	2,46
	Cane Development and regulation of Sugar Industry	48,50	48,50	50,00
	Development of National Sugar Institute	..	..	2,45
	Development of Indian Institute of Sugarcane Research	10	10	50
	Nilokheri Training Centre	2,54	2,24	2,80
	Gosadan Scheme	4,00	6,00	9,50
	Field Station for Locusts investigation	79	24	22
	Grading and Fumigation of certain articles of agricultural produce for export	12,67	8,84	12,60
	Scheme for Training of Tractor Operators	7,47	4,63	6,25
	Establishment of a Tractor Testing Station	75	2,70	1,23
	Central Mechanised Farms at Bhopal, Jammu and Suratgarh	12,14	23,66	22,32
	Agro-economic Research	1,68	44,00	52,81
	Key Village Scheme	47,00	..	..
	Potato Research Schemes	66	..	..
	Development of Fruit Preservation Scheme	1,19	2	60
	Directorate of Extension and Training	13,76	8,05	..
	Grow More Food Schemes in Union Territories	35,00	20,00	20,00
	Poultry Development Schemes	30,60	30,60	19,00
	Dairy Development and Cattle Colony Scheme	80,00	60,00	..
	Goshala Development Scheme]	5,00	7,00	10,00
	Rehabilitation of Nomadic Cattle Breeders	2,00	1,00	75
	Grow More Food Schemes	2,65,00	3,10,00	2,60,00
	Improvement of Land Records and Agricultural Statistics in States	9,00	6,30	6,50
	Multiplication and Distribution of Improved Seeds in States	1,95,63	2,02,80	2,38,00

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
44.—Agriculture—*contd.*	Development of Sheep & Wool	10,00	40,00	15,00
	Grants to States for strengthening Agricultural Research Institutes	12,00	8,00	25,00
	Grants to States for Development of Pepper & Cashewnuts	4,84	48	1,68
	Horticultural Schemes .	10,60	6,37	9,50
	Establishment of Fodder Banks	..	1,28	4,00
	Central Arecanut Research Schemes	..	..	8,00
	Central Cocoanut Research Schemes	..	..	6,03
	Technological Research on Vegetable oils . .	..	..	5,00
	Scheme for setting up an air-conditioned godown for storing sticklac at Calcutta .	..	..	5,00
	Cotton Extension Schemes .			11,33
	Jute Development Schemes .	20,66	14,49	14,57
	Tobacco cultivation . .	1,34	79	1,03
	Lac Development Schemes .	2,00	1,57	2,47
	Arecanut Development Schemes	2,50	1,00	2,00
	Cocoanut Development Schemes	5,00	4,50	4,00
	Oilseeds Development Schemes	1,20	1,00	2,50
	Strengthening of Agricultural Colleges	..	..	15,00
	Agricultural Information Units in States . . .	2,00	1,00	80
	Coordinated cattle sterility programme	1,24	1,14	34
	Sheep and Wool Development Scheme	..	..	15,00
	Progeny testing of Bulls .	..	..	5,00
	Development of Four State . Agricultural Colleges for Post-graduate education on a regional basis . .	.. 1,00	.. ..	.. 5,00
	Fisheries Research Schemes .	..	..	1,00
	Wheat Rust Control . .	85	1,09	85
	Grants to Indian Central Oilseeds Committee . .	10,00	..	5,00
	Experimental Farms . .	3,03	3,02	3,90
	Grants to Indian Central Cocoanut Committee . .	6,70	2,00	6,06

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
44.—Agriculture—*contd.*	Grants to ICAR for Production of Films . . .	4,50	1,50	4,00
	Farm Management Institutes	1,31	1,31	2,30
	Farmer's Organisation . .	1,00	1,00	1,00
	Grants to ICAR for Supply of Agricultural Information to N.E.S. Blocks . . .	8,00	6,00	8,00
	Schemes for the Study of Milk Yields, Breeds etc. of Bovines	1,10	85	1,09
	Fertiliser Demonstration Scheme	..	7,00	13,00
	Grants to Central Council for Gosamvardhan . .	2,00	1,75	2,00
	Setting up of an Agricultural University at Rudrapur(U.P.)	..	..	1,00
	Inter-Institutional arrangements with the land Grant Colleges of U.S.A. . .	..	..	1,96
	Development of pepper and cashewnuts . . .	4,84	48	1,68
	Development of Misc. spices crops	50	20	1,38
	Grant-in-aid to the Indian Central Jute Committee—			
	(*i*) Extension of Jute Research and Expansion Schemes . . .	8,00	8,00	6,25
	Schemes for Central Nucleus Jute Seed Multiplication Farm . .	3,85	3,20	5,43
	(*ii*) Strengthening of Technological Research laboratory and additional construction at Jute Agricultural Research Institute . . .	..	..	1,40
	Grants to the Indian Central Arecanut Committee . .	..	3,11	13,00
	Special grants-in-aid to I.C.T.C. for financing—			
	(*i*) Central Tobacco Res. Schemes . .	6,20	7,10	4,25
	(*ii*) State Tobacco Research Schemes included in State Plans .			27
	Manurial and Agronomic Trials	5,00	2,77	11,00
	Weed Control . . .	67	42	57
	Research and development of Horticulture in the States .	10,60	6,37	9,50
	Research and Development of Horticulture in the centrally administered areas . .	2,30	1,83	2,33
	Seed certification centres for vegetable seeds . .	72	40	82

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
44.– Agriculture– *concld.*	Research-*cum*-testing centres for bullock driven agricultural implements	..	77	2,59
	Grants to the Indian Central Cotton Committee, Bombay and Regional Research station for cotton research .	12,00	12,00	26,00
	TOTAL .	11,56,72	10,70,26	11,34,31
45.– Civil Veterinary Services.	Grants to States for setting up new Veterinary Colleges .	28,00	20,10	27,37
	Grants for Increasing the output of existing Colleges .	12,00	9,61	7,60
	Grants for Refresher Course for Veterinary Teachers .	40	40	..
	Grants for Running Double Shift	5,00	2,00	2,00
	Grants for Two-year Emergency Courses	5,00	3,18	3,28
	Grants for Post Graduate Courses	..	..	5,00
	Veterinary Research Schemes .	5,86	2,56	7,25
	Grants for Biological Centres .	1,91	..	1,91
	Provision of Hostels at live-stock farms	3,75	1,90	75
	Rinderpest Eradication Scheme	28,13	16,25	28,00
	TOTAL .	90,05	56,00	83,16
46.— Miscellaneous Departments and Expenditure under the Ministry of Food and Agriculture.	Training of Village Level Workers	80,25	67,90	79,66
	Grants for Co-operative Training and Experiments .	44,70	36,61	30,00
	Grants to National Co-operative Development and Warehousing Board . . .	1,00,00	1,00,00	1,00,00
	Grants for Resettlement of Landless Workers . . .	5,00	10,00	11,50
	National Dairy Research Institute	3,57	..	..
	Agro-Economic Research .	2,80	2,80	5,50
	All India Cattle Show .	3,50	3,50	3,20
	Fuel Economy-*cum*-Extension Service Scheme . .	2,00	..	..
	Development of Sugar Industry	4,50	..	..
	Dairy Research Schemes .	2,16	1,87	2,46
	TOTAL .	2,48,48	2,22,68	2,32,32

(In thousands of Rupees)

Demands	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
48.—Medical Services .	All India Institute of Medical Sciences . . .	25,00	23,33	35,00
	Expansion of the All India Institute of Mental Health, Bangalore	5,00	4,28	3,70
	Taking over of the Tata Memorial Hospital, Bombay .	7,00	5,59	6,50
	Cancer Research Centres .	10,00	2,00	3,74
	Up-grading of certain Deptts. in Medical Colleges . .	6,00	6,00	6,00
	After-care and Rehabilitation Centres for T. B. Patients .	10,00	..	8,05
	Establishment of Departments of Social and Preventive Medicine in certain Medical Colleges	7,00	7,00	7,51
	Establishment of New Dental Colleges and Expansion of existing colleges . .	5,00	6,38	16,25
	Indigenous Systems of Medicine—Assistance for establishment and upgrading of teaching Institutions .	20,25	19,96	27,35
	Opening of New Medical Colleges and expansion of existing Medical Colleges .	50,00	50,00	1,50,00
	Integration of Public Health with Basic Course in Nursing	3,00	5,56	3,00
	Establishment of T. B. Clinics .	30,00	30,00	30,00
	Training and research in Medical Statistics . . .	1,00	80	[2,00
	Grants for Development of Unani, Homoeopathic and Nature Cure Systems .	13,00	13,00	16,00
	Grants to Delhi Varsity for Patel Chest Institute .	2,00	2,35	2,50
	Grants-in-aid to the Government Body of Central Research in Indigenous Systems of Medicine, Jamnagar	4,25	4,16	3,80
	Grant to P. G. Training Centre in Ayurveda, Jamnagar .	3,00	2,80	3,00
	Scheme for Control of Leprosy	20,00	22,66	35,00
	Assistance to State Govts. for the Establishment of Cancer Research Institutes . .	4,50	..	1,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
48.—Medical Services—*concld.*	Establishment of Dentral Clinics in District Hospitals . .	6,38	3,00	3,00
	Paediatric Centres . . .	2,00	2,00	7,50
	Expansion of the Human Variation Unit at the Indian Cancer Research Centre, Bombay .		..	50
	Continuation and expansion of Health Visitors Training at the Lady Reading Health School, Delhi . . .			1,22
	Expansion of the Lady Hardinge College	..	..	3,93
	After-care and Rehabilitation Centres for the physically handicapped at Bombay	3,00	65	3,00
	Cancer Research Centres	10,00	2,00	3,74
	Central Planning Unit . .	..	..	49
	Establishment in teaching hospitals of Child Guidance Clinics and psychiatric Departments	..	..	4,00
	Employment of dietitions and establishment of Diet Kitchens	90	33	66
	Training of Refractionists and Opticians	4,00	4,00	1,50
	Training of Laboratory Assistants	..	..	2,50
	Opening of training Centres for Auxiliary Health Workers .	..	..	4,00
	Grants to Indian Council of Medical Research for Research in Medical Statistics . .	1,00	80	1,20
	Grants for expansion of Dental Colleges	5,00	6,38	10,00
	TOTAL .	2,58,28	2,25,03	4,07,64
49.—Public Health	Grants to T. B. Cancer, Leprosy and other Institutions . .	20,00	20,00	20,00
	Grants to Indian Council of Medical Research . .	50,00	50,00	50,00
	Central Leprosy Teaching and Research Institute . .	6,00	5,71	5,00
	Training in Public Health Engineering	7,00	2,70	4,99
	Isolation of Advanced cases of T.B.	10,00	10,00	14,25
	Family Planning . . .	25,00	25,00	46,00

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1938-59
49.—Public Health—*concld.*	National Malaria Control Programme	1,17,35	1,17,85	1,84,56
	Natioal Filaria Control Programme	11,79	18,09	72,41
	Public Health Engineering Organisation	..	..	10,00
	Morbidity Survey . . .	1,00	..	..
	Grants to Union Msission T.B. Sanatorium, Madanapalle .	91	91	91
	Training of Dais under various Maternity and Child Health Schemes, *viz.*, Welfare, Extension Projects, etc . . .	4,00	6,00	10,00
	Training of Health Visitors to Staff Maternity and Child Welfare Programme . .	5,00	5,00	5,00
	Training of Health Personnel under Community Development Programme—Auxiliary Nurses and Midwives . .	8,00	8,00	11,75
	Leprosy Control Scheme . .	20,00	22,66	35,00
	Control of Venereal Diseases .	8,00	5,00	8,00
	Development of Public Health Laboratory services . .	5,00	5,00	8,00
	Primary Health Units . .	40,00	40,00	1,75,30
	Establishment of Central Health Education Bureau . .	2,75	2,35	2,75
	Health Survey in Community Projects	65	65	74
	Training of Health Personnel for Community Projects .	8,00	8,00	10,00
	Combined building for Central Food Laboratory, Serologist's Laboratory and *Cardiolipin* Unit . . .	1,05	95	1,10
	Isolation of Advanced cases of T. B. —Topkhanawala Isolation Hospital, Mehrauli .	75	30	75
	Grants for the Maintenance of Lala Ram Swarup T.B. Hospital	4,00	3,31	3,50
	Trachoma Pilot Project . .	80	1,00	1,74
	Central Venereal Diseases Organisation . . .	..	..	40
	Training and Research in Medical Statistics . . .	1,00	80	2,00
	Goitre Control . . .	2,00	25	1,25
	Subsidy for B. C. G. Vaccination Campaign . . .	2,00	50	2,00
	Social and Moral Hygiene .	2,00	..	20
	School Health including School Feeding	..	..	25
	TOTAL	3,64,05	2,60,03	6,87,85

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
57.—Statistics	Grants-in-aid to State Govts. for statistical purposes	76,25	52,75	13,50
	Multipurpose Sample Survey	38,98	35,93	44,76
	Grants to the Indian Statistical Institute	42,75	42,75	42,00
	TOTAL	1,57,98	1,31,43	1,00,26
59.—Delhi	Scheme for Consolidation of Holdings	48	6	76
	Forest Administration, Survey, Demarcation and Extension Division	25	24	36
	Scheme for Afforestation and Soil Conservation at Aravali Hills, South of Delhi	29	35	57
	Scheme for Planting Truss along with Irrigation Water Canal, Roadside, etc.	18	17	20
	Scheme for Afforestation along jamuna Banks for bunding soil	37	38	29
	Scheme for Irrigation Unit in Delhi	40	17	40
	Publicity of development schemes under the Second Five Year Plan	9	9	44
	Staff for Low Income Group Housing Loans	38	34	40
	Conversion of Higher Secondary Schools into Multi-purpose schools	1,45	..	69
	Improvement of teaching in existing schools	30	30	30
	Improvement of School Libraries	30	30	30
	Reorganisation of Children's Home	46	21	47
	Raising of junior basic schools to senior basic standard	3,12	2,84	3,77
	Conversion of Teachers Training school for men into senior basic training Institute	38	38	46
	Introduction of crafts in basic schools	55	27	57
	Maintenance and improvement of community centres	40	40	39
	Scholarships, Seminars, Conferences, refresher courses, etc.	40	40	40
	Opening of Nursery Schools	41	25	30
	Replacement of Education Caravans	1,00	..	5

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
59.—Delhi—*contd.*	Improvment of Mobile Janta College	26	26	26
	Grant-in-aid to voluntary educational organisations	1,00	1,00	1,00
	Additional staff in existing schools at the headquarters	..	39	1,55
	Introduction of Higher Secondary system on a general scale	4,50	..	4,59
	Promotion of physical education schemes	..	..	1,00
	Opening of new schools under emergency plan	..	..	6,50
	Increased grants to non-Govt. Secondary Schools for opening of new sections	..	5,50	6,00
	Increased grants-in-aid to local bodies for opening of new schools	..	8,64	5,11
	Creation of additional posts in the junior and senior basic school	..	1,23	1,40
	Grant-in-aid to State Secial Advisory Board	75	54	54
	Additional staff for Directorate of Health Services	30	16	35
	Establishment of Family Planning Centres	..	..	49
	Expansion of Irwin Hospital (Addition of 40 beds)	1,86	1,56	1,30
	Expansion of Victoria Hospital (Addition of 40 beds)	27	15	27
	T.B. Clinic, Shahdara	54	29	53
	Home for Lepers at Teharpur in Shahdara	67	58	62
	General Hospital, Shahdara	1,06	22	62
	Establishment of Medical College in Delhi based on the Irwin Hospital	..	..	5,98
	Health Centres in Rural Area at—			
	Palam	79	26	44
	Narela	25	20	30
	Khaijawala	78	55	41
	Ujwa	33	22	28
	B.C.G. Campaign	40	37	41
	Antimalaria Measures in Urban and Rural Areas and Colonies of displaced persons	79	1,17	76
	Rural Water supply and Sanitation Scheme	1,02	47	1,02
	Poultry Extension Scheme	24	17	34
	Collection and Marketing of Poultry Produce	55	8	29

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
59.—Delhi.—*concld.*	Expansion of Govt. Model Poultry Farm	19	46	36
	Well sinking Scheme	1,81	1,82	1,82
	Expansion of Sludge and Manure Scheme	40	51	1,62
	Seed Multiplication Farm	..	..	2,95
	Scheme for starting touring veterinary dispensaries	32	61	32
	Scheme for co-operative Marketing and Warehousing	72	50	79
	Scheme for Co-operative Education and Training Research	27	6	35
	Scheme for Establishment of Craftsmen Co-operative Societies and Emporia	35	105	59
	Scheme for Development of Handloom Industry	57	36	54
	Scheme for Development of Khadi Industry	38	66	60
	Staff employed for administration of State Aid to Industries Rules	35	20	29
	Development of Industries in Community Project Area.	23	30	26
	Establishment of Delhi State Industrial Emporium	55	65	83
	Development of Cottage Industries in Alipur Area	..	..	50
	Establishment of Panchayat Raj	1,97	74	1,97
	Social and Moral Hygiene and After-care Services	..	20	4,40
	Welfare of Backward Classes	3,78	3,78	2,78
	Community Development Projects and National Extension Service Programme	8,67	8,01	5,51
	TOTAL	48,13	51,07	80,41
60.—Himachal Pradesh	Consolidation of Land Holdings	1,00	1,66	1,78
	Forest Development Schemes	4,28	8,73	7,17
	Continuance of the office of the Planning Design (Irrigation)	4,44	3,71	6,15
	Educational Development Schemes	22,69	8,25	25,25
	Medical Establishments	5,83	5,83	6,54
	Public Health Schemes	13,65	23,03	27,58
	Agricultural Schemes	4,31	23,03	7 13
	Breeding operations	4,75	4,20	6,17
	Games preservation	1,20	50	1,32

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
60.—Himachal Pradesh.—*concld.*	Community receiver Sets	..	..	45
	Social and moral hygiene and After-care services	..	..	3,65
	Welfare of Scheduled Tribes and Backward Areas	22,05	21,25	14,33
	Grants to Panchayats for Development	..	..	3,59
	Publicity Development Schemes	..	..	1,57
	Development of Industries	6,80	64	6,35
	Road Transport Scheme	6,84	7,83	7,32
	Community Projects, N. E. S. Blocks and Local Development Works	45,05	31,37	30,57
	TOTAL	1,42,89	1,39,98	1,56,92
61.—Andaman and Nicobar Islands.	Forest Development Schemes	18,00	3,07	7,71
	Educational Development Schemes	4,82	4,45	5,14
	Medical Schemes	57	57	87
	Mid-day Meal for school going children	32	..	40
	Maya Bunder Hospital	40	..	97
	Development Schemes under Agriculture	2,51	2,27	4,63
	Fisheries Development Schemes	45	45	1,16
	Development Schemes under Veterinary	1,52	29	1,80
	Public Health Schemes	83	7	1,52
	Extension and Development of Co-operation	73	58	29
	Cottage and Small Scale Industries	1,00	30	2,00
	Colonization Scheme—Ex-gratia Grants	6,43	6,43	6,25
	National Extension Blocks	25	1,00	2,00
	TOTAL	37,83	19,48	34,74
62.—Manipur	Forest Development Schemes	80,00	99,00	66,00
	Development of Publicity	41,00	40,00	40,00
	Educational Development Schmes	8,03	8,20	9,33
	Medical Development Schemes	1,69	1,26	1,78
	Public Health Schemes	5,81	7,59	7,40
	Agricultural Development Schemes	61,00	77,00	1,22
	Cattle Development Scheme	21,00	17,00	20,00
	Industrial Development Schemes	..	..	1,43

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
Manipur.—*contd.*	Provision of Statistical Organisation	30	30	30
	Provision for Scheduled Tribes and Backward Classes . .	21,31	20,44	34,68
	Social and Moral Hygiene and After-care Services . .	..	..	4,25
	Provision for Development Projects, Local Development Works and National Extension Service . . .	5,84	5,44	6,05
	Road Transport Scheme . .	4,18	4,18	5,26
	TOTAL .	2,50,16	2,80,41	1,97,70
63.—Tripura . . .	Forest Development Schemes	3,27	3,28	3,13
	Educational Development Schemes	15,06	15,06	16,93
	Medical Development Schemes	8,87	7,36	9,04
	Public Health Development Schemes	6,00	5,97	10,11
	Agricultural Development Schemes	8,93	9,52	8,21
	Veterinary Schemes. . .	37	42	1,23
	Staff for the Statistical Department	..	..	34
	Welfare of Backward Classes and Scheduled Tribes . .	22,72	26,23	23,03
	Community Projects and N.E.S. Blocks	9,78	13,81	10,03
	Community Radio Receiver Sets	..	..	30
	Industries Development Schemes	..	6,40	5,38
	Social and Moral Hygiene and After-care Services . .	..	..	2,70
	Grants to Agartala Municipality	4,00	1,50	11,00
	Plan Publicity Schemes . .	..	..	38
	TOTAL .	79,00	89,55	1,01,81
64.—Laccadive, Minicoy and Anindivi Islands . .	Development Schemes for Education	2,00	2,15	1,81
	Medical	2,00	1,58	89
	Public Health . . .	50	44	29
	Agriculture	2,75	1,26	2,29
	Veterinary Schemes . .	..	11	17
	Co-operation . . .	75	35	44
	Cottage Industries . . .	..	..	82
	Introduction of Steamer Service	1,50	1,50	2,00
	Introduction of Boats Service .	..	21	1,00
	Blasting of rocks and provision of buoys	..	..	2,00
	Industries and Supplies . .	..	66	1,16
	TOTAL	9,50	8,26	12,87

(In thousand of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
65.—Miscellaneous Department and Expenditure under the Ministry of Home Affairs.	Central Bureau of correctional Services	2,00	..	1,00
	Social and Moral Hygiene and After-care Services	75,00	36,37	75,00
	Grants to States for the Welfare of Backward Classes	4,92,64	3,84,38	5,02,07
	Grants for welfare of Scheduled Tribes and Areas	6,44,89	6,44,89	6,03,00
	TOTAL	12,14,53	10,65,64	11,81,07
67.—Broadcasting	Grants-in-aid to State Governments for Commnity Listening Schemes	15,00	..	15,00
	Song and Drama Division	..	..	6,17
	TOTAL	15,00	..	21,17
68.—Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting.	Publicity	9,00	..	7,40
	Publicity through Mobile Units	28,90	..	22,00
	Five Year Plan Publicity including Exhibitions	16,00	..	23,06
	Grants-in-aid to Scoial Welfare Agencies	5,00	..	5,50
	Grants-in-Aid to Children's Film Society	4,00	..	4,00
	TOTAL	62,90	..	61,96
70. Multipurpose River Schemes	Research Work connected with the Fundamental Basic problems relating to River Valley Projects and Flood Control Schemes	..		4,00
	Kosi Project	2,90	..	6,72
	Madhya Pradesh Project	16,01	..	6,00
	Investigation Surveys and Studies for Pradip Port	2,06	..	1,00
	Tripura Project	2,87	..	1,53
	Vindhya Pradesh Projects	..	..	24
	Technical Training Centres	10,50	..	5,01
	Betwa Valley Project	4,32	..	3,8
	Survey on Chenab River	1,77	..	71
	Manipur Project	3,54	..	30
	Khowai Dam Project	41	..	15
	Kopilli River Project	7,45	..	2,00
	Iddiki Project	6,00	..	6,00
	Ganga Basin Water Studies	..	..	11,87
	Dihang Basin Project	..	..	1,35
	Other Projects	..	..	2,27
	Tikkerpara and Naraj Dams Projects	32	29	29
	Applied Research for development of small standardised self contained power generating units	75	55	60

(In thousands of Rupees)

Demands	Particulars	Budget 1957-58	Revised 1957-58	Budget 1958-59
70.—Multipurpose River-Schemes—*concld.*	Fundamental and Basic Research in connection with the river valley projects and Flood Control Works . .	13,10	2,50	20,00
	Preliminary expenses on the preparation of a scheme for town and country planning in D.V.C. Region . .	..	..	2,00
	Material and Equipment for Roorkee Engineering Research Institute . . .	..	..	4,05
	Silt and Construction Material Laboratory . . .	..	..	3,38
	Research work connected with fundamental and basic problems relating to river valley project and flood control schemes to be done in the Silt and Construction Material Laboratory	..	..	2,14
	TOTAL . . .	72,00	3,34	83,50
73.—Chief Inspector of mines.	Barrier Survey in Coal Mines .	2,50	1,00	2,50
74.—Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment.	Workers Education . .	10,00	1,75	12,00
	Central Labour Institute and Regional Museums—Material and Equipment under T.C.A. Programme . . .	5,62	1,79	4,80
	Wage Boards . . .	1,00	79	3,06
	Expansion of Employment Service	..	35	71
	Apprenticeship Training Scheme	..	16	75
	Training of Educated Unemployed	..	10,22	10,00
	All India Agricultural Labour enquiry . . .	4,28	33	50
	Central Training Institute for Instructors . . .	..	..	10,14
	Evening classes for Industrial Workers	..	6	8
	Compilation of Indices of productivity . . .	..	..	1,23
	Equipment under Russian aid .	..	12,50	5,15
	TOTAL . .	20,90	27,95	48,42
79.—Expenditure on displaced persons and Minorities.	Grants for Industries . .	15,00	10,66	26,72
81.—Geological Survey of India.	Expansion and reorganisation of Geological Survey of India .	22,21	55,45	49,97
82.—Exploration of Oil and Natural Gas.	Oil and Natural Gas Commission	2,57,37	1,40,00	2,10,00

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
83.—Miscellaneous Deptts. and other expenditure under the Ministry of Steel, Mines and Fuel.	Expansion of the Indian Bureau of Mines	28,02	46,09	43,04
85.—Mercantile Marine .	Nautical and Engineering College, Bombay . .	..	..	4,52
	Director of Marine Engineering Training Calcutta/Bombay	..	..	7,00
	Training Scheme for ratings .	..	..	9,64
	TOTAL . .	..	..	21,16
86.—Light-houses and Light-ships.	Improvement of aids to navigation along the coast of India	95,00	..	90,00
88.—Communications (including National Highways).	Purchase of Tools and Plants .	12,50	..	14,00
93.—Miscellaneous Departments and Expenditure a under the Ministry of transport and Communications.	Establishment of a Monitoring network in the Country .	8,70	..	6,39
	Contribution to Ganga-Brahmputra Water Transport Board	20,00	..	2,00
	Development of inland Water Transport . . .	18,00	..	10,00
	Development of Pandu and other inland Ports . . .	5,00	..	5,00
	Development of Tourist Centres	10,30	..	16,50
	Subsidy to Ship Building Industry	1,00,00	..	90,00
	TOTAL . . .	1,62,00	..	1,29,89
100.—Atomic Energy Research.	Atomic Energy Research .	3,10,00	2,21,70	3,25,00
	TOTAL—REVENUE EXPENDITURE	1,08,57,31	97,97,89	1,21,59,96
	B.—CAPITAL BUDGET			
106.—Capital Outlay of the Ministry of Commerce and Industry.	Institute for Small Scale Industries	85,00	38,98	9,80
	Purchase of shares of State Trading Corporation . . .	..	..	2,50,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
106.—Capital Outlay of the Ministry of Commerce and Industry—*concld.*	Purchase of shares of the Heavy Electricals (Private) Limited	1,00,00	1,21,00	1,00,00
	Purchase of shares of Heavy Engineering Corporation	..	..	75,20
	Purchase of shares of the Nangal Fertilizers and Chemicals (Private), Ltd.	2,00,00	2,25,60	4,04,96
	Development of salt works	40,00	18,00	20,00
	Purchase of shares of Hindustan Antibiotics, (P) Ltd.	50,00	15,00	1,00
	Purchase of shares of Hindustan Insecticides (P) Ltd.	40,00	35,00	3,00
	Purchase of shares in Handicrafts Corporation	..	..	10,00
	TOTAL	5,15,00	4,53,58	8,73,96
107.—Capital Outlay of the Ministry of Community Development.	Material and Equipment under the T.C.A. Programme	1,67,49	1,01,83	2,10,03
109.—Capital Outlay of the Ministry of Education and Scientific Research.	Grants-in-aid to the Council of Scientific and Industrial Research for development of existing Laboratories/ Institutes and opening of new Research Laboratories and Institutes	50,00	90,00	1,75,00
	Geophysical Research Wing of Central Board of Geophysics —Instruments and equipment	..	..	1,00
	Material and Equipment under T.C.A. Programme for Survey of India	12,30	28,17	13,13
	Material and Equipment under T.C.A. Programme for Council of Scientific and Industrial Research	50,00	72,35	8,83
	Equipment and furniture for the Indian School of Mines and Applied Geology	9,41	9,41	5,00
	Material and Equipment under Colombo Plan for Council of Scientific and Industrial Research	10,00	4,75	13,52
	Indian Institute of Technology	33,37	25,18	..
	TOTAL	1,65,08	2,29,86	2,16,48
111.—Capital Outlay on India Security Press.	Construction of Buildings	6,36	2,00	9,00
112.—Capital Outlay on Currency and Coinage.	Security Paper Mill	10,00	10,00	10,00
113.—Capital Outlay on Mints.	Silver Refinery Project	13,13	25,25	4,77
	Construction of Buildings	55,00	17,74	33,25
	TOTAL	68,13	42,99	38,02

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
116.—Other Capital Outlay of the Ministry of Finance.	Rehabilitation of Indian Railways (T.C.A.)	..	6,00,00	8,00,00
	Wagons and Rail Cars (Colombo Plan)	2,51,00	2,59,85	1,23,38
	River Valley and Irrigation Projects (T.C.A.)	27,00	5,06	35,71
	Umtru Project (Colombo Plan)	2,20	1,54	5,02
	Improvement of Rajasthan Power Facilities	38,00	20,33	21,46
	TOTAL	3,18,20	8,86,78	9,85,57
119.—Capital Outlay on Forests.	Forestry Schemes in Union Territories	10,00	..	..
	Research Demonstration and Training Centres	41	..	51
	TOTAL	10,41	..	51
120.—Other Capital Outlay of the Ministry of Food & Agriculture.	T.C.M. Tubewell Projects	60,00	55,47	65,67
	Project for Water Resources Survey and Minor Irrigation	12,00	10,00	..
	Construction of Central Control Laboratory at Nagpur, Regional Laboratories and addition to the existing laboratory	25,39	..	9,16
	Contribution to National Co-operative Development and Warehousing Board	1,00,00	1,00,00	40,00
	Central Mechanised Farm, Suratgarh	13,00	7,00	..
	Marine Fisheries Research Scheme	40,75	16,43	12,96
	Construction of Food Storage Godowns in the country	3,50,00	52,20	1,34,80
	Land Reclamation Scheme	85,00	90,62	85,81
	Cost of material and equipment received under T.C.A. programme for the Schemes of Training of Village Level Workers	10,04	60,40	70,40
	Delhi Milk Supply Scheme	90,00	12,00	95,00
	Grow More Food Schemes	20,00	20,00	20,00
	Higher Agricultural Education	60,00	22,00	40,00
	Development of the Indi n Institute of Sugar Research, Lucknow	8,00	38	1,00
	National Sugar Institute, Kanpur	2,00	2,65	1,00
	Development of Sugarcane Breeding Institute	1,00	50	50
	TOTAL	8,77,18	4,49,65	5,76,30

(In thousands of Rupees)

Demand	Particulars	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
121.—Capital Outlay of the Ministry of Health.	National Water Supply and Sanitation Programmes . .	2,50,00	1,50,00	2,00,00
	B.C.G. Vaccine Laboratory, Guindy	2,00	1,70	1,00
	Material and Equipment for National Malaria Control .	3,45,28	3,45,28	6,01,44
	Filaria Control . . .	1,11,37	95,35	..
	Medical Colleges Research Institutions . . .	20,00	8,06	16,51
	Medical Colleges . . .	..	..	10,00
	TOTAL . . .	7,28,65	6,00,39	8,28,95
122.—Capital Outlay of the Ministry of Home Affairs.	Purchase of Boats for Laccadive, Minicoy and Amindivi Islands	4,25	1,25	3,00
	Electric Supply in rural areas in A. and N. Islands . .	1,50	50	1,50
	Purchase of ships and launches for Andaman and Nicobar Islands	1,39,50	1,05,00	40,50
	Scheme for the Supply of Consumer and other Stores in Andamans	9,20	9,20	9,00
	Coir Monopoly Scheme .	5,00	5,34	6,14
	Grants under Gadgil Committee's Award . . .	63,44	39,79	52,47
	TOTAL . . .	2,22,89	1,61,08	1,12,61
123.—Capital Outlay on Broadcasting.	Development of Broadcasting .	3,40,00	3,21,98	2,15,59
124.—Capital Outlay on Multipurpose River Schemes.	Land and Buildings for the Central Water and Power Research Station, Poona . . .	12,07	2,70	18,00
	Damodar Valley Corporation .	3,61,00	3,27,00	4,04,00
	TOTAL . . .	3,73,07	3,29,70	4,22,00
125.—Other Capital Outlay of the Ministry of Irrigation and Power.	Flood Control Works in Tripura	10,00	10,00	4,50
	Electricity Schemes in Tripura	10,00	4,24	11,00
	Electricity Schemes in Manipur	6,00	6,08	16,47
	Flood Control Works in Delhi .	5,22	8,56	14,91
	Electricity Schemes in Himachal Pradesh	20,00	20,00	30,00
	Material and equipment under T.C.A. Programme for Rural Electrification . . .	..	..	1,12,00
	Purchase of shares of National Projects Construction Corporation . . .	10,00	20,00	25,00
	Delhi Thermal Plant . .	..	..	30,00
	TOTAL . . .	61,22	68,88	2,43,88

(In thousands of Rupees)

Demand	Particulars	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
126.—Capital Outlay of the Ministry of Labour and Employment.	Central Labour Institute and Regional Museums, Material and Equipment under the T.C.A. Programme	5,62	1,79	4,80
	Scheme for the training of Craftsmen—Material and equipment under T.C.A. Programme	6,00	9,57	6,75
	TOTAL	11,62	11,36	11,55
127.—Capital Outlay of the Ministry of Rehabilitation.	Payment of compensation to Displaced Persons	24,00,00	20,00,00	18,00,00
	Dandakaranya Development Scheme	..	25,00	3,00,00
	TOTAL	24,00,00	20,25,00	21,00,00
128.—Capital Outlay of the Ministry of Steel, Mines and Fuel.	Purchase of shares in the Hindustan Steel (P) Ltd.	140,00,00	151,66,00	1,57,88,50
	Coal Washeries	1,00,00	50,00	1,00,00
	Purchase of shares in Bolani Ores (P) Ltd.	..	10,10	40,40
	Investment in Mysore Iron and Steel Corporation	..	..	1,00
	Establishment of 4th Steel Plant	..	..	50,00
	Expenditure on Coal Production Programme	76,31	75,00	62,40
	Oil Exploration Scheme:—			
	(a) Oil and Natural Gas Commission	2,90,93	..	2,16,54
	(b) Oil Indian (P) Limited	..	50,00	10,00
	Material and Equipment under T.C.A. Programme for Indian Bureau of Mines	8,00	8,00	75
	Purchase of Shares of the Neyveli Lignite Corporation (Private) Ltd.	4,00,00	4,00,00	7,00,00
	Purchase of shares of National Coal Development Corporation	..	..	50,00
	Purchase of shares in Singereni Collieries	..	..	30,00
	Acquisition of Coal bearing areas	..	..	50,00
	TOTAL	148,75,24	157,09,10	170,99,59
129.—Capital Outlay on Ports.	Development of the Kandla Port	3,45,00	2,65,00	2,45,00
	Development of Vizagapatam Port	1,45,00	1,04,00	95,00
	Development of Township of Gandhidham	45,00	20,00	60,00
	Development of Minor Ports in Andaman and Nicobar Islands	..	..	5,00
	TOTAL	5,35,00	3,89,00	4,05,00

(In thousands of Rupees)

Demands	Particulars	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
130.—Capital Outlay on Roads.	National Highways and other Roads	11,75,00	13,10,00	12,50,00
	Grants to State Governments for Construction of Static Roads of economic or Inter State Importance	2,75,00	2,90,00	2,50,00
	TOTAL	14,50,00	16,00,00	15,00,00
131.—Capital Outlay on Posts and Telegraphs (not met from Revenue).	Posts and Telegraphs Development Schemes	10,75,00	..	..
132.—Outlay on Civil Aviation.	Aviation Works and Equipment	2,67,51	2,81,58	3,28,67
	Meteorological Equipment	20,00	13,97	13,22
	TOTAL	2,87,51	2,95,55	3,41,89
133.—Other Capital Outlay of the Ministry of Transport and Communications.	Development of Road Transport in Manipur	4,50	4,50	4,50
	Development of Road Transport in Himachal Pradesh	8,50	8,50	10,50
	Dredger-*cum*-survey launch pool for Minor Ports in India	..	..	15,00
	Investment in Eastern Shipping Corporation	1,20,00	83,00	52,00
	Investment in Western Shipping Corporation (Private) Ltd.	2,00,00	2,00,00	2,50,00
	Purchase of aircraft etc. by Indian Airlines Corporation	5,09,84	5,25,19	3,22,80
	Purchases of aircraft etc. by the Air India International	..	82,44	3,34,00
	Expansion of the Overseas Communications Service Stations	16,00	9,99	15,00
	Purchase of Shares of Hindustan Shipyard Ltd.	30,00	30,00	52,06
	Establishment of Second Shipyard	3,00	25	2,00
	TOTAL	8,91,84	9,43,87	10,63,86
134.—Delhi Capital Outlay	Civil Works Programme	7,38,42	7,38,42	6,44,70
135.—Capital Outlay on	Buildings	4,61,58	4,61,58	5,77,80
136.—Other Capital Outlay of the Ministry of Works, Housing and Supply.	Grants for Subsidised Industrial Housing Scheme	2,00,00	2,00,00	2,00,00
	Grants for slum clearance	10,00	10,00	73,00
	TOTAL	2,10,00	2,10,00	2,73,00
137.—Capital Outlay of the Department of Atomic Energy.	Land and Buildings	22,40	27,90	3,00
	Uranium Processing Plant	15,00	10,00	16,00
	Reactors	5,00,50	3,40,00	2,27,50
	Canada-India Reactor	2,95,00	2,25,00	84,00
	Nuclear Research	35,00	12,00	25,00
	Other Schemes	31,00	26,00	64,20
	TOTAL	8,98,90	6,40,90	4,19,70
	TOTAL—CAPITAL	276,98,79	266,83,50	316,35,99
	TOTAL—PLAN ITEMS	385,56,10	364,81,39	437,95,95

(In thousands of Rupees)

Demand	Particulars	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
	II. OTHER SCHEMES			
	(A)—REVENUE BUDGET			
2.—Industries	Provision for Technical Assistance under point four Programme	3,50	2,00	2,00
	Transfer of net proceeds of Excise duty on mill made cloth to the Fund for the Development of Handloom and Khadi Industries	6,80,00	6,80,00	6,80,00
	TOTAL	6,83,50	6,82,00	6,82,00
19.—Other Scientific Department.	Grants to Research Workers for Fundamental research in scientific subjects	4,00	4,00	4,00
20.—Education	Grants to Educational and literary organisations	1,76	1,70	2,01
	Cultural organisations Institutions conducting training and research work	2,00	2,00	4,00
	Sangeet Natak Akadamy	8,44	8,06	9,50
	Sahitya Akadamy	4,66	4,66	5,50
	Partial financial assistance to scientists going abroad	1,00	1,28	1,41
	TOTAL	17,86	17,70	22,42
38.—Miscellaneous Departments and Expenditure under the Ministry of Finance.	India's contribution to U. N's. Expanded Programme of Technical Assistance	23,81	23,81	25,00
	Assistance to States for raising the emoluments of low paid staff	5,00,00	5,00,00	6,00,00
	Assistance to Nepal for Development Schemes under Colombo Plan	1,00,00	90,00	2,20,00
	Assistance to States for Natural Calamities	7,00,00	5,00,00	5,00,00
	TOTAL	13,23,81	11,13,81	13,45,00
44.—Agriculture	Soil Fertility Project	9,00	5,00	4,00
	Scheme Financed from Groundnut Fund	7	7	9
	Scheme Financed from linseed Fund	17	16	25
	Farm Radio Publicity unit at the I.C.A.R.	60	10	..

(In thousnds of Rupees)

Demand	Particulars	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
44.—Agriculture—*concld.*	Crop production and Development (47 Hybrid maize)	88	88	..
	Agricultural Experiment and research under T. C. A.	..	1	1,71
	Grant in aid to India Central Tobacco Committee	12	12	12
	Payments to Indian Central Oilseeds Committee against cess collections	15,00	20,00	15,00
	Payment to Indian Central Cotton Committee against cess collection	11,00	11,00	11,00
	Pilot survey of the study of cultivation practices	6	34	6
	Grants to I.C.A.R. for	..	..	5
	Grants in aid to Indian Jute Committee	10,00	10,00	10,00
	Grants to States for Form Advisory units (Ford Foundation)	..	..	2,02
	Fisheries Development project (T.C.A.)	76,04	76,82	48,71
	Establishment of a Biological control laboratory	30	30	..
	Anti locust coordinated scheme	1,20	2,21	..
	Grant to Indian Central Arecanut Committee	..	2,00	5,00
	Payment to Indian Central Coconut Committee	7,00	7,00	7,00
	Grant in aid to the Indian Central Sugar-cane Committee	6,00	6,00	6,00
	Sugar cane research	1,58	1,47	1,52
	TOTAL	1,39,02	1,43,48	1,12,53
43.—Forests	Development of Forest Research	10,60	..	18,00
	Grant in aid to wild life Board	15	..	15
	Scheme for the Introduction of Metric system of weights	10	10	35
	TOTAL	10,85	10	18,50
45.—Veterinary	Grants for refresher courses for Veterinary teachers	..	4	..
	Grants for Biological Centres	1,91	..	1,91
	TOTAL	1,91	4	1,91

(In thousands of Rupees)

Demand	Particulars	Budget Estimate, 1957-58	Revised Estimate, 1957-58	Budget Estimate, 1958-59
48.—Medical Services	Grant to Indian Red Cross Society	1,00	1,00	1,00
	Grant to the Dental Council of India	60	60	75
	Grant to Indian Nursing Council	18	19	20
	Local Cost of Foreign Experts	1,00	1,00	1,00
	Grant in aid to UNICEF local Office	3,00	3,00	3,00
	India's share of W.H.O. Programmes in India	83	82	1,16
	Grant for the Establishment of Physiotherapy School, Bombay	11	11	
	Grant for the Establishment of Neurosurgery Unit, Bombay	19	..	5
	Grant to the society for the Rehabilitation of crippled children, Bombay	1,50	1,50	..
	Grant in aid to Christian Medical College, Ludhiana	1,00	1,00	1,00
	Grant in aid to Medical Council of India	1,50	1,50	1,65
	Grant to Lady Hardinge College and Hospital	24,00	24,00	21,07
	Grant to Pharmacy Council	18	..	13
	Grants for the maintenance of Kalavati Saran Children's Hospital	4,60	4,60	5,00
	TOTAL	39,69	39,32	36,12
49.—Public Health	Pilot Project for the production of Influenza Vaccine	13	13	16
	Grant to Coonoor Pasteur Institute for work relating to Influenza	3	3	6
	Grant to Coonoor Pasteur for the production of Influenza Vaccine	..	85	45
	Expenditure on the Centres for the Training of Public Health Staff for Community Project	95	93	66
	Provision for subsidising Schemes in connection with blindness T.B. etc.	5,00	5,00	5,00
	Grant to T.B. Association of India for the maintenance of New Delhi T.B. Centre	2,85	2,85	2,85
	Relief to destitute displaced persons from West Pakistan, suffering from T.B.	8,50	8,50	8,50

(In thousands of rupees)

Demand	Particulars	Budget Estimate 1957-58	Revised Estimate 1957-58	Budget Estimate 1958-59
49.—Public Health—*concld.*	Scheme for Establishment of Maternity of Child Welfare Services	3,00	3,00	..
	Expenditure on B.C.G. Vaccination Programme . .	1,64	1,90	1,80
	UNICEF Programme . .	8,00	8,00	1,00
	Health Projects Najafgarh .	..	93	5,36
	Expenses in connection with epidemic diseases Prevention of Influenza . . .	..	..	1,00
	Grant in Aid to Haffkine Institute, Bombay, for the manufacture of vaccine .	..	49	35
	TOTAL. .	30,10	32,61	25,19
61.—Andaman and Nicobar Islands.	Survey Settlement . .	1,00	1,00	1,00
63.—Miscellaneous Deptts. and Expenditure under the Ministry of Home Affairs.	Emergency relief scheme. .	5	..	1,00,00
	Grants to the international Commissioner for prevention of alcoholism . . .	3,60	1,00	1,00
67.—Broadcasting . .	Lump provision for New Transmitters	9,00	4,00	8,00
74.—Misc. Deptts. and Expenditure under the Ministry of Labour and Employment.	Payments to Other Governments for Continuing Schemes such as Occupational Research, Employment Exchanges, Employment Service, etc.	3,25,85	2,30,51	2,89,04
	TOTAL—REVENUE .	25,86,24	22,65,57	26,42,71
	(B)—CAPITAL BUDGET			
106.—Capital Outlay of the Ministry of Commerce and Industry.	Civil Explosive Factory . .	10,00	10,00	..
120.—Other Capital Outlay of the Ministry of Food and Agriculture.	Cinchona cultivation . .	6,02	5,47	4,50
	TOTAL—CAPITAL . .	16,02	15,47	4,50
	TOTAL—OTHER SCHEMES. .	26,02,26	22,81,04	26,47,91
	GRAND TOTAL .	4,11,58,36	3,87,62,43	4,64,43,86

ANNEXURE VIII

Statement Showing resources transferred from Centre to States

(Figures in lakhs of Rupees)

Serial No.	Purpose	Ist 5 year Plan Period	IInd. 5 Year Plan Period		
		Actuals	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
	PART I.—TAXES AND DUTIES				
	(i) Shares of Divisible Taxes and Duties.				
1	Income Tax	2,78,24	58,75	73,43	76,97
2	Union Excise Duties	46,06	18,22	28,71	29,50
	(ii) Taxes and Duties accruing wholly to States.				
1	Additional Duties in lieu of Sales Taxes	..	..	11,51	39,47
2	Taxes on Railway Passenger Fares	..	..	4,81	9,15
3	Estate Duty	2,44	2,41	2,40	2,38
	TOTAL	3,26,74	79,38	1,20,86	1,57,47
	PART II.—GRANTS MET FROM REVENUE				
1	Art. 273 of the Constitution	14,45	3,15	3,15	3,15
2	Substantive Provision of Art. 275(1)	27,03	7,74	36,25	36,25
3	Provisions to Art. 275 (1)	13,45	5,11	6,45	6,30
4	Art. 278	49,47	..	..	..
5	Grants to meet revenue deficit of Union Territories (former) Part C States	19,79	4,37	..	..
6	Grants-in-aid under Sec. 74 of the S. R. Act.	..	3,54	1,35	1,27
7	Welfare of scheduled tribes and development of scheduled areas in Union territories	33	10	..	..
8	Grants to Jammu and Kashmir—				
	(i) Food Subsidy	..	1,25	1,25	1,25
	(ii) For Dearness Allowance	6,42			
	Schemes	..	50	..	..
	(iii) Other Grants	..	2,50	..	..
	Veterinary Schemes				
9	Veterinary Colleges	12	34	31	35
10	Establishment of Two Years Emergency Course in Veterinary Science	..	3	4	4
11	Hostels at Live Stock Farms	..	..	2	2
12	Rinderpest Scheme	..	9	16	27
13	Biological Centres	..	..	..	2
	Agricultural Schemes				
14	Grow More Food Schemes	13,54	1,52	3,10	2,60
15	Key Village Schemes	35	11	44	53
16	Dairy Development Schemes	11	6	60	90
17	Seed MultiplicationFarms	..	22	2,03	2,38

(Figures in lakhs of Rupees)

Serial No.	Purpose	1st 5 Year Plan Period	2nd 5 Year Plan Period		
		Actuals	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
18	Sugarcane Development Schemes	14	..	..	..
19	Higher Agricultural Education	28	53	38	56
20	Training of Village Level Workers	61	22	6	7
21	Gosadan Scheme	..	3	6	10
22	Improvement of Land Records and Agricultural Statistics	..	5	6	7
23	Water Resources Survey and Minor Irrigation	..	4	6	..
24	Horticulture Scheme	..	1	6	10
25	Tobacco Cultivation	..	..	1	1
26	Measures to assist Cotton growers	.	9	11	11
27	Jute Development	.	18	14	15
28	Poultry Development	..	6	31	19
29	Agricultural Research Institute	..	..	8	25
30	Goushala Development Scheme	..	3	7	10
31	Development of sheep wool	..	..	4	15
32	Co-operative Training and Experiment	7	..	5	3
33	Other Schemes	47	6	24	23
	Forest Development				
34	Soil Conservation Schemes	30	29	57	93
35	Forestry Schemes	..	3	20	29
36	Nature Conservancy	..	1	5	6
37	Matchwood Plantation	..	1	7	8
	Community Development				
38	Community Development Scheme	9,80	3,07	3,76	3,27
39	National Extension Service	5,09	5,17	6,75	8,50
	Education Schemes				
40	Pre-primary, Elementary and Basic Education	8,04	25	6,24	6,93
41	Secondary and Rural Higher Education	5,23	..	3,70	4,82
42	Technical Education	2,12	1	64	63

(Figures in lakhs of Rupees)

Serial No.	Purpose	1st 5 Year Plan Period		2nd 5 Year Plan Period	
		Actuals	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
43	Revision of Pay Scales of School Teachers	..	..	30	..
44	Promotion of Hindi	..	..	5	6
45	Other Grants		..	12	17
	Medical Schemes				
46	Training of Refraction and opticians Laboratory Assistants and Auxiliary Health Worker	..	..	4	..
47	Establishment of New Dental Colleges and Expansion of existing ones	..	..	6	10
48	Establishment of T.B. Demonstration and Training Centres	..	..	4	..
49	Training Centres for Integrated Course of Nursing and Public Health	..	2	6	2
50	Establishment of Departments of Social and Preventive Medicine in Certain Medical Colleges	..	..	7	8
51	Establishment of Paediatric Centres in the various States	..	..	2	7
52	Upgrading of certain Departments in Medical Institutions	..	3	6	6
53	Maintenance of Mental Patients evacuated from Pakistan	..	..	..	1
54	Training of Refractionists and Opticians	..	..	..	2
55	Training of Laboratory Assistants	..	..	..	3
56	Training of Auxiliary Health Workers	..	..	..	4
57	Establishments in Teaching Hospitals of Child Guidance Clinics & Psychiatric Department	..	..	..	4
58	Establishment of after care and Rehabilitation Centre for T. B. Patients	..	..	..	5
59	Establishment of Dental Clinics in District Hospitals	..	..	..	7
60	Opening of New Medical Colleges and expansion of existing ones	..	23	50	1,50

(Figures in lakhs of Rupees)

Serial No.	Purpose	1st 5 Year Plan Period	2nd 5 Year Plan Period		
		Actuals	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
61	Establishment of Tuberculosis Clinics	..	..	30	30
62	Establishment and maintenance of Health Units	1	..	..	..
	Public Health Schemes				
63	B.C.G. Vaccination Campaign	..	..	1	2
64	Establishment of Maternity and Child Welfare Services	..	..	3	..
65	Maintenance of Health Centres in N.E.S. Blocks	..	..	53	3,00
66	Scheme for Control of Leprosy	..	3	23	35
67	Relief to destitute Displaced Persons	..	7	9	9
68	Control of Venereal Diseases	..	..	..	8
69	Training of Dais under various M.C.H. Schemes	..	..	..	10
70	Development of Public Health Laboratory Services	..	..		8
71	Training for Public Health Engineering	..	..	..	2
72	Training of Health personnel for Community Projects	..	..	..	7
73	National Malaria Eradication*	6,67	3,15	3,29	5,44
74	National Filaria Control*	13	36	89	..
75	Family Planning	15	..		21
	Welfare of Backward Classes				
76	Welfare of Backward Classes and Scheduled Tribes and Development of Scheduled Areas	8,42	2,13	3,84	5,02
	Others				
77	Construction of Certain Strategic Roads, Bridges etc., in Assam	..	77	1,15	
78	Assistance to Assam towards expenditure on Police Force borrowed from the States for maintenance of Law and Order	..	..	40	..
	Statistical Schemes				
79	Grants-in-aid to State Governments for the improvements of Statistics	..	30	53	67

* This includes value of materials and equipments received under T.C.A. Programme.

(Figures in lakhs of Rupees)

Serial No.	Purpose	1st 5 Year Plan Period	2nd 5 Year Plan Period		
		Actuals	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
	Information and Broadcasting Schemes				
80	Grants-in-aid to State Governments for Community Listening Scheme.	3	20	15	15
	Resettlement and Employment Schemes				
81	National Employment Service and Training	..	..	2,40	2,89
	Small Industries Development Schemes				
82	Development of Handloom Industries	1,60	1,98	2,48	3,00
83	Development of Handicrafts .	16	..	..	40
	Relief and Rehabilitation Schemes				
84	Rehabilitation of Displaced Persons.	21,38	3,32	4,20	4,18
85	Relief of Displaced Persons .	14,84	9,31	8,94	7,35
	Other Miscellaneous Grants				
86	Natural Calamities . . .	17,41	5,24	5,00	5,00
87	Raising the emoluments of Low-paid employees	..	..	5,00	6,00
88	Publicity of Small Saving schemes	..	..	..	15
89	Development of Inland Water Transport	..	..	2	10
90	Development of Tourist Centre	..	1	7	15
	TOTAL—GRANTS MET FROM REVENUE	2,48,01	68,22	1,19,78	1,30,10
	PART III.—GRANTS MET FROM CAPITAL				
1	Local Development Works .	12,66	4,28	5,95	4,00
	Housing Schemes				
2	Industrial Housing and Slum Clearance	4,65	1,53	2,10	2,73
3	Rural Housing Cells set up for implementation of village Housing Project Scheme	..	..	..	5
4	Grant to Punjab Government for construction of Capital at Chandigarh	..	1,00	..	..

(Figures in lakhs of Rupees)

Sl. No.	Purpose	1st 5 Year Plan Period	2nd 5 Year Plan Period		
		Actuals*	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
	Transport Schemes				
5	State Roads of Economic or Inter-State Importance	3,93	2,93	2,90	2,50
6	Grant from Central Road Fund	15,93	4,99	5,73	5,66
7	National Water Supply Programme	2,52	87	1,50	2,00
	Other Grants				
8	Grants under the Gadgil Committees award	..	75	40	52
	TOTAL—GRANTS MET FROM CAPITAL	39,69	16,35	18,58	17,46
	PART IV.—LOANS				
1	Irrigation and Multipurpose River Schemes	2,52,48	46,34	50,75	70,12
2	Miscellaneous Development Purposes	1,71,36	35,77	47,60	32,63
3	Grow More Food including Tube Well Schemes and Agricultural Finance	1,09,96	28,53	27,61	36,05
4	Rehabilitation Purposes	47,96	11,27	6,30	8,34
5	Industrial Housing and Other Housing Schemes	19,94	7,85	10,83	12,60
6	Community Development Projects and National Extension Service Schemes	13,83	6,07	7,80	9,22
7	Natural calamities	2,10	1,41	7,00	1,00
8	Permanent Improvement in scarcity affected areas	27,14	6,53	3,20	3,37
9	Development of Handloom and Small Scale Industries and conversion of Handloom into Powerloom	..	6,85	7,26	6,19
10	Flood Control Schemes	1,53,76	12,93	10,00	9,00
11	Urban Water Supply Scheme		2,45	6,70	6,25
12	Sharing of Small Savings		19,27	40,00	60,00
13	Other Purposes		24,26	63,30	29,74
	TOTAL—LOANS	7,98,53	2,09,53	2,88,35	2,84,51
	GRAND TOTAL	14,12,97	3,73,48	5,47,57	5,89,54

*The Actuals shown above are provisional.

ANNEXURE IX

Analysis of receipts and disbursements in India and abroad

The statement below gives a broad analysis of the receipts and disbursements of the Central Government showing separately the transactions in India and outside the country. These do not include expenditure financed by direct remittances from India to suppliers abroad through commercial banking channels, the amount of which is, however, very small.

RECEIPTS

(Figure in lakhs of Rupees)

	Budget, 1957-58			Revised, 1957-58			Budget 1958-59		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
I. REVENUE RECEIPTS									
(a) Civil	697,95	1,94	699,89	721,87	1,52	723,39	764,36	1,29	765,65
(b) Defence	13,47	..	13,47	14,44	130	15,74	13,65	..	13,65
(c) P. & T.	6,71	..	6,71	4,02	..	4,02	5,48	..	5,48
TOTAL—REVENUE	718,13	1,94	720,07	740,33	2,82	743,15	783,49	1,29	784,78
II. LOANS									
(a) Permanent Debt :									
(i) From I.B.R.D.	..	90	90	..	30,08	30,08	..	13,78	13,78
(ii) For Steel Plants	..	36,00	36,00	..	29,67	29,67	..	65,00	65,00
(iii) Other Loans	173,83	..	173,83	154,98	..	154,98	352,63	..	352,63
(b) Floating Debt (Net)	275,00	..	275,00	375,20	..	375,20	201,57	..	201,57
TOTAL—LOANS	448,83	36,90	485,73	530,18	59,75	589,93	554,20	78,78	632,98
III. OTHER RECEIPTS	298,02	7,89	305,91	172,65	12,44	185,09	200,36	9,00	209,36
TOTAL—RECEIPTS	1464,98	46,73	1511,71	1443,16	75,01	1518,17	1538,05	89,07	1627,12
OPENING BALANCE	49,61	51	50,12	50,68	36	51,04	50,19	36	50,55
GRAND TOTAL—RECEIPTS	1514,59	47,24	1561,83	1493,84	75,37	1569,21	1588,24	89,43	1677,67

DISBURSEMENTS

(Figures in lakhs of Rupees)

	Budget, 1957-58			Revised, 1957-58			Budget, 1958-59		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
I. EXPENDITURE MET FROM REVENUE :									
(*a*) Civil :									
(*i*) Embassies & missions abroad .	..	5,11	5,11	..	4,99	4,99	..	5,23	5,23
(*ii*) Contribution to U.N. and other International Organisations . .	..	1,70	1,70	..	1,70	1,70	..	491	1,91
(*iii*) Debt Charges (including Service charges for Dolar purchases) . .	31,75	3,38	35,13	34,01	4,51	38,52	33,93	7,84	41,77
(*iv*) Other expenditure	371,62	1,82	373,44	404,82	3,49	408,32	43,45	5,51	468,96
(*b*) Defence . .	186,88	79,30	266,18	191,40	9,039	281,79	208,32	83,47	291,79
(*c*) P.&.T. (Interest) .	2,77	..	2,77	2,78	..	2,78	3,14	..	3,14
TOTAL—EXPENDITURE MET FROM REVENUE .	593,02	91,31	684,33	633,02	105,08	738,10	708,84	103,96	812,80

DISBURSEMENTS—*contd.*

(In lakhs on Rupees)

	Budget, 1957-58			Revised, 1957-58			Budget, 1958-59		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
II. CAPITAL OUTLAY :									
(*a*) Civil :									
(*i*) Purchase of Food-grains . . .	90,42	54,23	144,65	133,88	42,64	176,52	81,93	36,12	118,05
(*ii*) Purchase of Fertilizers . . .	17,54	5,46	23,00	11,21	12,79	24,00	14,51	7,00	21,51
(*iii*) Steel Plants .	114,83	42,00	156,83	76,99	74,17	151,16	47,88	110,00	157,88
(*iv*) Purchases through I.S.M. . .	..	20,00	20,00	..	20,00	20,00	..	14,00	14,00
(*v*) Sterling pensions	..	—5,33	—5,33	..	—5,33	—5,33	..	—21,33	—21,33
(*vi*) Other Miscellaneous Expenditure and recoveries on Capital account	41,05	12,80	53,85	—90,54	11,61	—78,93	14,36	10,22	24,58
TOTAL—CIVIL . .	263,84	129,16	393,00	131,54	155,88	287,42	158,68	156,01	314,69
(*b*) Defence . .	17,18	6,37	23,55	14,27	10,66	24,93	17,18	9,82	27,00
(*c*) P. & T. . .	8,72	1,13	9,85	10,15	86	11,01	10,75	7	10,82
(*d*) Railways . .	103,12	21,05	124,17	82,76	55,71	138,47	76,57	62,27	138,84
TOTAL—CAPITAL OUTLAY .	392,86	157,71	550,57	238,72	223,11	461,83	263,18	228,17	491,35

III.—LOANS REPAID .	35,42	3,32	38,74	69,45	3,32	72,77	24,47	3,68	00,15
IV.—LOANS ADVANCED BY CENTRAL GOVERNMENT (NET) .	244,65	1	244,66	234,10	1	234,11	260,23	1	260,24
V.—OTHER PAYMENTS	60	1,88	2,48	10,25	1,60	11,85	28,24	1,68	29,92
TOTAL—DISBURSEMENT	1266,55	254,23	1520,78	1185,54	333,12	1518,66	1284,96	337,50	1622,46
CLOSING BALANCE .	40,54	51	41,05	50,19	36	50,55	54,85	36	55,21
GRAND TOTAL . .	1307,09	254,74	1561,83	1235,73	333,48	156921	1339,81	337,86	1677,67
NET SURPLUS(+)/DEFICIT(—)	+198,43	—207,50	—9,07	+257,62	—258,11	—49	+253,09	—248,43	+4,66

ANNEXURE X

Statement showing the distribution by Demands for Grants of the expenditure shown by heads of account in the Budget of the Central Government for 1958-59.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Amount: Recoveries taken in reduction of expenditure in the Budget	Amount: Net expenditure shown in the Budget
1. *Expenditure met from Revenue—*				
Direct Demands on the Revenue—				
1. Customs	28. Customs	4,16,32	—6	4,16,26
2. Union Excise Duties	29. Union Excise Duties	76,84,22	—2,19,56	74,64,66
3. Corporation Tax	30. Taxes on Income including Corporation Tax, etc.	1,30,95	..	1,30,95
4. Taxes on Income other than Corporation Tax.	30. Taxes on Income including Corporation Tax, etc.	3,80,42	..	3,80,42
	63. Tripura		..	6
TOTAL—TAXES ON INCOME		3,80,48	..	3,80,48
5. Estate Duty	30. Taxes on Income including Corporation Tax, etc.	9,93	..	9,93
5-A. Taxes on wealth	30. Taxes on Income including Corporation Tax, etc.	13,60	..	13,60
5-B. Taxes on Railway Fares	30. Taxes on Income, etc.	4,73	..	4,73
5-C. Taxes on Expenditure	30. Taxes on Income, etc.	3,00	..	3,00
6. Opium	31. Opium	2,42,18	..	2,42,18
7. Land Revenue	59. Delhi	3,69	..	3,69
	60. Himachal Pradesh	15,04	..	15,04
	61. Andaman and Nicobar Islands	1,00	..	1,00
	62. Manipur	4,36	..	4,36
	63. Tripura	16,97	..	16,97
	64. Laccadive, Minicoy & Amindivi Islands	1,12	..	1,12
TOTAL—LAND REVENUE		42,18	..	42,18
8. State Excise Duties	59. Delhi	46,47	..	46,47
	60. Himachal Pradesh	1,90	..	1,09
	62. Manipur	26	..	26
	63. Tripura	55	..	55
TOTAL—STATE EXCISE DUTIES		49,18	..	49,18
9. Stamps	32. Stamps	2,42,53	—5,44	2,37,09
	59. Delhi	1,09	..	1,09
	60. Himachal Pradesh	12	..	12
	61. Andaman and Nicobar Islands	1	..	1
	62. Manipur	7	..	7
	63. Tripura	20	..	20
	64. Laccadive, Minicoy & Amindivi Islands	5	..	5
TOTAL—STAMPS		2,44,07	—5,44	2,38,63
10. Forest	43. Forest	2,56,26	—18,66	2,37,60
	59. Delhi	1,71	..	1,71
	60. Himachal Pradesh	46,02	..	46,02
	61. Andaman and Nicobar Islands	1,24,30	—13,00	1,11,30
	62. Manipur	1,70	..	1,70
	63. Tripura	9,81	..	9,81
TOTAL—FOREST		4,39,80	—31,66	4,08,14

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
11. Registration	59. Delhi	67	..	67
	60. Himachal Pradesh	2	..	2
	62. Manipur	24	..	24
	63. Tripura	96	..	96
	TOTAL—REGISTRATION	1,89	..	1,89
12. Taxes on Vehicles	59. Delhi	22,02	..	22,02
	60. Himachal Pradesh	80	..	80
	62. Manipur	2,35	..	2,35
	63. Tripura	1,00	..	1,00
	TOTAL—TAXES ON VEHICLES	26,17	..	26,17
12-A. Sales Tax	59. Delhi	10,19	..	10,19
13. Other Taxes & Duties	59. Delhi	60	..	60
	60. Himachal Pradesh	50	..	50
	62. Manipur	1,00	..	1,00
	63. Tripura	1,36	..	1,36
	TOTAL—OTHER TAXES, ETC.	3,46	..	3,46
	TOTAL—DIRECT DEMANDS ON THE REVENUE	97,02,35	—2,56,72	94,45,63
Irrigation Works—				
18. Other Revenue Expenditure	59. Delhi	99	..	99
	60. Himachal Pradesh	8,05	—50	7,55
	62. Manipur	2,00	..	2,00
	63. Tripura	2,00	..	2,00
	71. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	43	..	43
	TOTAL—OTHER REVENUE EXPENDITURE	13,47	—50	12,97
20. Posts and Telegraphs—Interest on Debt.	89. Indian Posts & Telegraphs Department (*a*)	3,17,16	—3,00	3,14,16
22. Interest on Debt and other obligations.	Interest on Debt and other obligations	1,34,42,93	—99,42,93	35,00,00
23. Appropriation for Reduction or Avoidance of Debt.	Ditto	5,00,00	..	5,00,00
Civil Administration—				
25. General Administration	1. Ministry of Commerce and Industry	66,43	..	66,43
	6. Ministry of Community Development	21,99	..	21,99
	8. Ministry of Defence	37,68	..	37,68
	13. Ministry of Education and Scientific Research	68,92	..	68,92
	24. Ministry of External Affairs	1,15,29	—53	1,14,76
	27. Ministry of Finance	1,58,77	—1,35	1,57,42

(*a*) *See* also head XIX on page 324.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
25. General Administration—*concld.*				
	42. Ministry of Food and Agriture	73,54	—5	73,49
	47. Ministry of Health	13,71	..	13,71
	51. Ministry of Home Affairs	2,73,56	..	2,73,56
	52. Cabinet	35,34	..	35,34
	53. Zonal Council	4,44	..	4,44
	59. Delhi	34,21	..	34,21
	60. Himachal Pradesh	33,48	..	33,48
	61. Andaman & Nicobar Islands	11,27	..	11,27
	62. Manipur	10,13	..	10,13
	63. Tripura	16,27	..	16,27
	64. Laccadive, Minicoy and Amindivi Islands	1,48	..	1,48
	66. Ministry of Information and Broadcasting	13,49	..	13,49
	69. Ministry of Irrigation and Power	19,67	..	19,67
	72. Ministry of Labour and Employment	17,47	..	17,47
	75. Ministry of Law	19,39	—60	18,79
	76. Elections	1,81,41	..	1,81,41
	78. Ministry of Rehabilitation	40,45	..	40,45
	80. Ministry of Steel, Mines and Fuel	33,49	..	33,49
	84. Ministry of Transport and Communications	76,62	—7,72	68,90
	94. Ministry of Works, Housing and Supply	56,71	—65	56,06
	99. Department of Atomic Energy	9,08	..	9,08
	101. Department of Parliamentary Affairs	2,25	..	2,25
	102. Lok Sabha	1,03,70	..	1,03,70
	104. Rajya Sabha	33,92	..	33,92
	105. Secretariat of the Vice-President	59	..	59
	Staff, Household and Allowances of the President	18,37	..	18,37
	Union Public Service Commission	42,05	..	42,05
TOTAL—GENERAL ADMINISTRATION		16,45,17	—10,90	16,34,27
26. Audit	33. Audit	10,23,05	—2,97,28	7,25,77
27. Administration of Justice	54. Administration of Justice	17,12	—3	17,09
	59. Delhi	14,62	..	14,62
	60. Himachal Pradesh	6,13	..	6,13
	62. Manipur	1,67	..	1,67
	63. Tripura	2,66	..	2,66
TOTAL—ADMINISTRATION OF JUSTICE		42,20	—3	42,12

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure in the Budget
28. Jails and Convict Settlements.	59. Delhi	7,75	—50	7,25
	60. Himachal Pradesh	2,61	..	2,61
	61. Andaman and Nicobar Islands	53	..	53
	62. Manipur	1,14	..	1,14
	63. Tripura	2,53	..	2,53
	TOTAL—JAILS AND CONVICT SETTLEMENTS	14,56	—50	14,06
29. Police	55. Police	4,93,68	—5,82	4,87,86
	59. Delhi	1,78,22	—5	1,78,17
	60. Himachal Pradesh	37,76	..	37,76
	61. Andaman & Nicobar Islands	17,02	..	17,02
	62. Manipur	52,90	..	52,90
	63. Tripura	52,66	..	52,66
	TOTAL—POLICE	8,32,24	—5,87	8,26,37
30. Ports & Pilotage	61. Andaman & Nicobar Islands	65,88	—19,80	46,08
30-A. Mercantile Marine	85. Mercantile Marine Department	62,10	—81	61,29
31. Lighthouses and Lightships.	86. Lighthouses and Lightships	1,38,96	—90,62	48,34
34. Tribal Areas	22. Tribal Areas	8,02,99	—2,25,94	5,77,05
	23. Naga Hills & Tuensang Areas	3,64,57	—70	3,63,87
	TOTAL—TRIBAL AREAS	11,67,56	—2,26,64	9,40,92
35. External Affairs	24. External Affairs	7,63,51	—13,90	7,49,61
36. Scientific Departments	14. Archaeology	1,09,70	..	1,09,70
	15. Survey of India	1,71,11	—76,89	94,22
	16. Botanical Survey	12,50	..	12,50
	17. Zoological Survey	11,87	..	11,87
	18. Scientific Research	6,38,98	—23,35	6,15,63
	19. Other Scientific Departments	56,67	—1,58	55,09
	46. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	3,22	—16	3,06
	60. Himachal Pradesh	6	..	6
	73. Chief Inspector of Mines	23,04	..	23,04
	81. Geological Survey	1,31,85	..	1,31,85
	82. Exploration of Oil and Natural Gas	2,18,35	..	2,18,35
	83. Miscellaneous Departments and other Expenditure underthe Ministry of Steal, Mines & Fuel	48,12	—75	47,37
	90. Meteorology	1,61,46	—9,16	1,52,30
	100. Atomic Energy Research	3,25,80	—21,70	3,04,10
	TOTAL—SCIENTIFIC DEPARTMENTS	19,12,73	—1,33,59	17,79,14

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
37. Education	20. Education	25,37,10	—2,73	25,34,37
	59. Delhi	2,59,98	—9	2,59,89
	60. Himachal Pradesh	35,63	..	35,63
	61. Andaman & Nicobar Islands	8,27	..	8,27
	62. Manipur	32,14	..	32,14
	63. Tripura	90,26	..	90,26
	64. Laccadive, Minicoy and Amindivi Islands	2,64	..	2,64
	TOTAL—EDUCATION	29,66,02	—2,82	29,63,20
38. Medical	48. Medical Services	5,18,73	—53,66	4,65,07
	59. Delhi	1,00,70	..	1,00,70
	60. Himachal Pradesh	10,77	..	10,77
	61. Andaman & Nicobar Islands	8,49	..	8,49
	62. Manipur	12,00	..	12,00
	63. Tripura	15,88	..	15,88
	64. Laccadive, Minicoy and Amindivi Islands	1,80	..	1,80
	TOTAL—MEDICAL	6,68,37	—53,66	6,14,71
39. Public Health	49. Public Health	14,06,97	—4,77,13	9,29,84
	59. Delhi	18,74	—3,97	14,77
	60. Himachal Pradesh	27,76	—2,48	25,28
	61. Andaman & Nicobar Islands	4,10	..	4,10
	62. Manipur	7,69	—3,97	3,72
	63. Tripura	11,98	—1,99	9,99
	64. Laccadive, Minicoy and Amindivi Islands	41	..	41
	TOTAL—PUBLIC HEALTH	14,77,65	—4,89,54	9,88,11
40. Agriculture	44. Agriculture	15,72,50	—2,52,18	13,20,32
	59. Delhi	17,95	—2,00	15,95
	60. Himachal Pradesh	23,31	..	23,31
	61. Andaman & Nicobar Islands	8,71	..	8,71
	62. Manipur	2,84	..	2,84
	63. Tripura	11,00	..	11,00
	64. Laccadive, Minicoy and Amindivi Islands	5,05	..	5,05
	TOTAL—AGRICULTURE	16,41,36	—2,54,18	13,87,18
40-A. Rural Development	46. Miscellaneous Departments and other Expenditure of the Ministry of Food and Agriculture	91,16	—6,00	85,16

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
41. Veterinary	45. Civil Veterinary Services	1,48,25	—20,66	1,27,59
	59. Delhi	3,51	..	3,51
	60. Himachal Pradesh	14,35	—1,07	13,28
	61. Andaman & Nicobar Islands	3,20	..	3,20
	62. Manipur	2,22	..	2,22
	63. Tripura	2,89	..	2,89
	64. Laccadive, Minicoy and Amindivi Islands	21	..	21
	TOTAL—VETERINARY	1,74,63	—21,73	1,52,90
42. Co-operation	46. Miscellaneous Departments and other Expenditure of the Ministry of Food and Agriculture	1,30,00	—3,15	1,26,85
	59. Delhi	4,41	..	4,41
	60. Himachal Pradesh	5,61	..	5,61
	61. Andaman and Nicobar Islands	30	..	30
	62. Manipur	1,24	..	1,24
	63. Tripura	44	..	44
	64. Laccadive, Minicoy and Amindivi Islands	50	..	50
	TOTAL—CO-OPERATION	1,42,50	—3,15	1,39,35
43. Industries and Supplies	2. Industries	26,90,99	—7,38,24	19,52,75
	3. Salt	1,63,06	—2,83	1,60,23
	59. Delhi	4,73	—54	4,19
	60. Himachal Pradesh	22,88	..	22,88
	61. Andaman and Nicobar Islands	2,00	..	2,00
	62. Manipur	4,80	..	4,80
	63. Tripura	9,09	..	9,09
	64. Laccadive, Minicoy and Amindivi Islands	1,16	..	1,16
	83. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	47,78,65	—27,87,83	19,90,82
	91. Overseas Communication Service	1,23,76	..	1,23,76
	93. Miscellaneous Departments and other Expenditure under the Ministry of Transport and Communications	90,00	..	90,00
	95. Supplies	2,71,95	—17,92	2,54,03
	TOTAL—INDUSTRIES AND SUPPLIES	81,63,07	—35,47,36	46,15,71
44. Aviation	92. Aviation	3,79,52	—54,64	3,24,88
45. Broadcasting	67. Broadcasting	4,01,00	—27,50	3,73,50
47. Miscellaneous Departments.	4. Commercial Intelligence and Statistics	79,81	—4	79,77
	5. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	1,71,23	—1,05	1,70,18

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
47. Miscellaneous Departments—*contd.*	21. Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	30,81	—16	30,65
	38. Miscellaneous Departments and other Expenditure under the Ministry of Finance	52,50	..	52,50
	46. Miscellaneous Departments and other expenditure under the Ministry of Food and Agriculture	1,87,04	—49,58	1,37,46
	50. Miscellaneous Departments and Expenditure under the Ministry of Health	1,06	..	1,06
	56. Census	8,34	..	8,34
	57. Statistics	1,81,12	..	1,81,12
	59. Delhi	13,86	..	13,86
	60. Himachal Pradesh	3,46	..	3,46
	61. Andaman & Nicobar Islands	13,89	—4,40	9,49
	62. Manipur	1,19	..	1,19
	63. Tripura	4,68	..	4,68
	65. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	1,21,73	—70	1,21,03
	68. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	3,24,61	—19,34	3,05,27
	71. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	78,56	—18,78	59,78
	74. Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment	5,05,83	—3,08,29	1,97,54
	83. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	1,35,00	..	1,35,00
	93. Miscellaneous Departments and other Expenditure under the Ministry of Transport and Communications	6,76	..	6,76
	98. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	12,15	—6	12,09
	TOTAL—MISCELLANEOUS DEPARTMENTS	19,33,63	—4,02,40	15,31,23
	TOTAL—CIVIL ADMINISTRATION	2,57,06,87	—56,62,92	2,00,43,95
48. Currency	34. Currency	3,81,26	—8,39	3,72,87
49. Mint	35. Mint	4,77,07	—30	4,76,77
50. Civil Works	87. Central Road Fund	4,28,99	—28,99	4,00,00
	88. Communications (including National Highways)	6,03,69	..	6,03,69
	96. Other Civil Works	25,53,88	—17,82,06	7,71,82
	TOTAL—CIVIL WORKS	35,86,56	—18,11,05	17,75,51

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
51-B. Other revenue expenditure connected with Multi-purpose River Schemes	70. Multi-purpose River Scheme	1,28,07	—37,84	90,23
52-A. Other Revenue Expenditure connected with Electricity Schemes	60. Himachal Pradesh	4,95	..	4,95
54. Famine	59. Delhi	25	..	25
54-A. Territorial and Political Pensions	36. Territorial and Political Pensions	22,09	..	22,09
54-V. Privy Purses and Allowances of Indian Rulers.	58. Privy Purses and allowances of Indian Rulers	5,46,75	..	5,46,75
55. Superannuation Allowances and Pensions	37. Superannuation Allowances and Pensions	3,84,33	—13,06	3,71,27
56. Stationery and Printing	60. Himachal Pradesh	2,57	..	2,57
	61. Andaman & Nicobar Islands	41	..	41
	62. Manipur	47	..	47
	63. Tripura	93	..	93
	97. Stationery and Printing	7,19,67	—4,67,73	2,51,94
	TOTAL—STATIONERY AND PRINTING	7,24,05	—4,67,73	2,56,32
57.—Miscellaneous	5. Miscellaneous Departments and expenditure under the Ministry of Commerce and industry	19,41	..	19,41
	21. Miscellaneous Departments and expenditure under the Ministry of Education and Scientific Research	2,11,09	..	2,11,09
	25. State of Pondicherry	2,99,28	—22,34	2,76,94
	26. Miscellaneous Expendiure under the Ministry of External Affairs	4,09	..	4,09
	38. Miscellaneous Departments and other expenditure under the Ministry of Finance	16,56,95	—1,00	16,55,95
	39. Planning Commission	74,33	..	74,33
	46. Miscellaneous Departments and other expenditure under the Ministry of Food and Agriculture	9,69,43	—11	9,69,32

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
57. Miscellaneous—*contd.*	50. Miscellaneous Departments and Expenditure under the Ministry of Health	86,55	..	86,55
	59. Delhi	20,53	—2,81	17,72
	60. Himachal Pradesh	70,47	..	70,47
	61. Andaman & Nicobar Islands	6,52	..	6,52
	62. Manipur (*a*)	53,25	..	53,25
	63. Tripura	60,71	..	60,71
	64. Laccadive, Minicoy and Amindivi Islands	2,32	..	2,32
	65. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	7,53,99	—11,70	7,42,29
	68. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	9,50	..	9,50
	71. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	26,11	—4,05	22,06
	74. Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment	3,73,40	—8,43	3,64,97
	77. Miscellaneous Expenditure under the Ministry of Law	5,44	..	5,44
	79 Expenditure on displaced persons and Minorities	20,48,25	—3	20,48,22
	83. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	75	..	75
	93. Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications	41,92	—20	41,72
	98. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	76,41	—1,26	75,15
	100. Atomic Energy Research	5,00	..	5,00
	103. Miscellaneous Expenditure under the Lok Aabha	34	..	34
	TOTAL—MISCELLANEOUS	68,74,04	—51,93	68,24,11

(*a*) See also head XLVI-A on page 324.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
58. Defence Services, Effective—Army	9. Defence Services, Effective—Army	1,78,10,75	—6,06,39	1,72,04,36
59. Defence Services, Effective—Navy	10. Defence Services, Effective—Navy	16,65,58	—3,60	16,61,98
60. Defence Services, Effective—Air Force	11. Defence Services, Effective—Air Force	88,54,65	..	88,54,65
60-A. Defence Services, Non-Effective	12. Defence Services, Non--Effective Charges	14,57,99	..	14,57,99
61. Grants-in-aid to States	*Grants-in-aid to States*	46,96,70	..	46,96,70
62. Miscellaneous Adjustments between the Union and State Governments.	40. Miscellaneous Adjustments between the Union and State Governments	6,66	..	6,66
63. Extraordinary Payment	38. Miscellaneous Departments and other Expenditure under the Ministry of Finance.	14,00,00	..	14,00,00
63-B. Community Development Projects	7. Community Project Administration and National Extension Service	13,13,27	—1,05,60	12,07,67
	39. Planning Commission	1,35,67	..	1,35,67
	59. Delhi	6,89	—17	6,72
	60. Himachal Pradesh	35,19	—1,05	34,14
	61. Andaman and Nicobar Islands	2,01	..	2,01
	62. Manipur	6,71	—60	6,11
	63. Tripura	10,29	—90	9,32
	TOTAL—COMMUNITY DEVELOPMENT PROJECTS	15,09,96	—1,08,32	14,01,64
64-B.—Civil Defence	74. Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment	94	..	94
64-C. Pre-partition Payments	41. Pre-partition Payments	37,27	..	37,27
	TOTAL	10,02,54,70	—1,89,74,68	8,12,80,02
Add—Railway Expenditure as per Railway Budget		94,03,38	..	94,03,38
TOTAL—EXPENDITURE MET FROM REVENUE		10,96,58,08	—1,89,76,68	9,06,83,40

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Amount: Recoveries taken in reduction of expenditure in the Budget	Amount: Net expenditure shown in the Budget
Posts and Telegraphs—				
XIX. Posts and Telegraphs *Deduct*—Working Expenses	89. Indian Posts and Telegraphs Departments . . .	62,96,99	—4,81,15	58,15,84
Civil Works and Miscellaneous Public Improvements—				
XLI. Receipts form Electricity Schemes— *Deduct*—Working Expenses.	60. Himachal Pradesh . .	2,25	..	2,25
	62. Manipur	2,00	..	2,00
	63. Tripura	4,12	..	4,12
	TOTAL—RECEIPTS FROM ELECTRICITY SCHEME	8,37	..	8,37
Miscellaneous—				
XLVI.-A. Receipts from Road and Water Transport Schemes—*Deduct*—Working Expenses	60. Himachal Pradesh . .	52,55	—6,42	46,13
	62. Manipur	12,35	..	12,35
	64. Laccadive, Minicoy and Amindivi Islands . .	3,00	..	3,00
	TOTAL—RECEIPTS FROM ROAD AND WATER TRANSPORT SCHEME	67,90	—6,42	61,48
	TOTAL .	63,73,26	—4,87,57	58,85,69
	GRAND TOTAL	11,60,31,34	—1,94,62,25	9,65,69,09
	Deduct—Railway Expenditure on shown above . .	94,03,38	..	94,03,38
TOTAL—EXPENDITURE MET FROM REVENUE AS SHOWN IN DEMAND FOR GRANTS		10,66,27,96	1,94,62,25	8,71,65,71
II. Capital Account not met from Revenue—				
65-A. Capital Outlay on Forests.	118. Capital Outlay on Forests	9,51	..	9,51
66. Capital Outlay on the Security Printing Press	111. Capital Outlay on the India Security Press . . .	11,07	..	11,07
68. Construction of Irrigation, Navigation, Embankment and Drainage Works.	125. Other Capital Outlay of the Ministry of Irrigation and Power	19,46	..	19,46
69. Capital Outlay on Posts and Telegraphs.	131. Capital Outlay on Posts and Telegraphs . . .	30,09,25	—19,27,25	10,82,00

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
71. Capital Outlay on Schemes of Agricultural Improvement and Research.	120. Other Capital Outlay of the Ministry of Food and Agriculture	2,32,90	—54,20	1,78,70
72. Capital Outlay on Industrial Development	106. Capital Outlay of the Ministry of Commerce and Industry.	8,73,97	..	8,73,97
	107. Capital Outlay of the Ministry of Education and Scientific Research . . .	1,80,00	..	1,80,00
	121. Capital Outlay of the Ministry of Health . . .	1,00	..	1,00
	125. Other Capital Outlay of the Ministry of Irrigation and Power	25,00	..	25,00
	128. Capital Outlay of the Ministry of Steel, Mines and Fuel	1,71,01,34	—1,12,41	1,69,88,93
	133. Capital Outlay of the Ministry of Transport and Communications . . .	10,42,86	—1,28,87	9,13,99
	137. Capital Outlay of the Department of Atomic Energy	4,10,00	—84,00	3,26,00
TOTAL—CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT		1,96,34,17	—3,25,28	1,93,08,89
72-A. Capital Outlay on Civil Aviation	132. Capital Outlay on Civil Aviation	3,28,67	..	3,28,67
72-B. Capital Outlay on Broadcasting	123. Capital Outlay in Broadcasting	2,13,97	—98,97	1,15,00
73. Capital Outlay on Ports	129. Capital Outlay on Ports .	4,05,00	—12,43	3,92,57
77. Currency Capital account outside the Revenue Account.	112. Capital Outlay on Currency and Coinage . . .	2,90,60	—2,21,46	69,14
77-A. Capital outlay on Mints.	113. Capital Outlay on Mints	46,20	..	46,20
78. Initial Expenditure on New Capital at Delhi	134. Delhi Capital Outlay .	6,44,70	..	6,44,70
80-A. Capital Outlay on Multi-purpose River Schemes	124. Capital Outlay on Multi-purpose River Schemes .	4,22,00	..	4,22,00
81. Capital Outlay on Civil Works.	130. Capital Outlay on Roads .	12,50,00	..	12,50,00
	135. Capital Outlay on Buildings	5,77,80	—3,00,00	2,77,80
TOTAL—CAPITAL OUTLAY ON CIVIL WORKS . . .		18,27,80	—3,00,00	15,27,80

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e* amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
81-A. Capital Outlay on Electricity Schemes	122. Capital Outlay of the Ministry of Home Affairs .	1,50	..	1,50
	125. Other Capital Outlay of the Ministry of Irrigation and Power	57,47	—5,00	52,47
	TOTAL .	58,97	—5,00	53,97
82. Capital Account of other Works outside the Revenue Account	120. Other Capital Outlay of the Ministry of Food & Agriculture..	1,50,00	—20	1,49,80
82-B. Capital Outlay on Road and Water Transport Scheme	133. Other Capital Outlay of the Ministry of Transport and Communications . .	15,00	..	15,00
82-C. Capital Outlay on Shipping Tankers, etc.	122. Capital Outlay of the Ministry of Home Affairs .	43,50	..	43,50
	133. Other Capital Outlay of the Ministry of Transport and Communications . .	15,00	..	15,00
	TOTAL .	58,50	..	58,50
82-D. Dandakaranya Development Scheme .	127. Capital Outlay of the Ministry of Rehabilitation .	3,00,00	—25	2,99,75
83. Payments of Commuted Value of Pensions	114. Commuted Value of Pensions	48,81	—79,82	—33,01
83-A. Capital Outlay on Sterling Pensions	Capital Outlay on Sterling Pensions	..	—24,88,76	—24,88,76
85. Payment to Retrenched Personnel.	115. Payments to Retrenched Personnel	12	—27	—15
85-D. Capital Outlay on payments to Displaced Persons.	127. Capital Outlay of the Ministry of Rehabilitation .	18,00,00	—4,66,69	13,33,31
85-E. Transfer of Sale proceeds of American Loan Commodities	107. Capital Outlay of the Ministry of Community Development. . . .	23,33	..	23,33
	116. Other Capital Outlay of the Ministry of Finance . .	76,00,00	..	76,00,00
	120. Other Capital Outlay of the Ministry of Food and Agriculture	62,00	..	62,00
	125. Other Capital Outlay of the Ministry of Irrigation and Power	1,12,00	..	1,12,00
	128. Capital Outlay of the Ministry of Steel, Mines and Fuel	49,85	..	49,85
	TOTAL .	78,47,18	..	78,47,18

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
86. Defence Capital Outlay	108. Defence Capital Outlay .	30,00,00	—3,00,00	27,00,00
87. Capital Outlay on Schemes of Government Trading.	106. Capital Outlay of the Ministry of Commerce and Industry	4,19,92	—4,19,81	11
	107. Capital Outlay of the Ministry of Community Development	2,10,03	—2,10,03	..
	109. Capital Outlay of the Ministry of Education and Scientific Research . . .	38,74	—38,74	..
	110. Capital outlay of the Ministry of External affairs .	46,44	—50,34	—3,90
	116. Other Capital Outlay of the Ministry of Finance . .	9,85,87	—9,85,87	..
	119. Purchase of Food grains .	1,24,15,93	1,18,19,00	5,96,93
	120. Other Capital Outlay of the Ministry of Food and Agriculture	25,67,36	—25,66,05	1,31
	121. Capital Outlay of the Ministry of Health . . .	7,78,38	—7,99,67	—21,29
	122. Capital Outlay of the Ministry of Home Affairs . .	15,14	—15,14	..
	123. Capital Outlay on Broadcasting	1,62	—1,62	..
	125. Other Capital Outlay of the Ministry of Irrigation and Power	3,44,56	—3,44,56	..
	126. Capital Outlay of the Ministry of Labour and Employment	11,55	—11,55	..
	128. Capital Outlay of the Ministry of Steel, Mines and Fuel	1,40,69	—4,72,93	—3,32,24
	133. Other Capital Outlay of the Ministry of Transport and Communications . .	54,25	—54,25	..
	136. Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	52,74	—3,10	49,64
	137. Capital Outlay of the Department of Atomic Energy	1,00,00	—1,09,00	..
TOTAL—CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING		1,81,92,22	—1,79,10,66	2,90,56

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Reocveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
88. Grants to States for Development	116. Other Capital Outlay of the Ministry of Finance . .	4,00,00	—1,73,17	2,26,83
	121. Capital Outlay of the Ministry of Health . . .	2,00,00	—24,00	1,76,00
	122. Capital Outlay of the Ministry of Home Affairs . .	52,47	—22,85	29,62
	130. Capital Outlay on Roads .	2,50,00	—69,69	1,80,31
	136. Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	3,03,00	—46,59	2,56,41
	TOTAL—GRANTS TO STATES, ETC. .	12,05,47	—3,36,30	8,69,17
TOTAL—CAPITAL ACCOUNT NOT MET FROM REVENUE	.	5,97,69,57	—2,45,18,54	3,52,51,03
Add—Railway Capital as shown in Railway Budget	. .	1,38,83,59	..	1,38,83,59
	TOTAL—CAPITAL .	7,36,53,16	—2,45,18,54	4,91,34,62

O. *Statement of Capital Disbursement of the Central Government.*

Loans and Advances by the Central Government.					
Advances to State Governments	2,79,32,65	117, Loans and Advances by the Central Government.	3,62,53,15	—27,60,57	3,34,92,48
Other Loans and Advances	55,59,83				
	3,34,92,48				
Public Debt					
A. Debt raised in India—					
I. Rupee Debt . .	20,15,00	Repayment of Debt	50,98,06,39	..	50,98,06,39
II. Floating Debt .	50,69,79,00				
B. Debt raised in England	88,13				
C. Other Debt . .	7,12,26				
D. Inter-State Settlement	12,00				
	50,98,06,39				

ANNEXURE XI

Statement showing the distribution of Civil Expenditure met from revenue under broad categories.

(In lakhs of Rs.)

	Accounts, 1956-57	Budget, 1957-58	Revised, 1957-58	Budget, 1958-59
PAY OF OFFICERS	12,73	14,62	15,30	15,77
PAY OF ESTABLISHMENTS	37,07	47,37	44,66	47,69
ALLOWANCES, HONORARIA, ETC.	37,55	44,78	49,13	54,25
CONTINGENCIES	21,11	32,48	28,93	31,82
INTEREST CHARGES INCLUDING REDUCTION OR AVOIDANCE OF DEBT	1,04,41	1,19,33	1,21,83	1,39,43
PENSIONS INCLUDING PRIVY PURSES	8,84	9,01	9,19	9,31
GRANTS-IN-AID TO STATES AND OTHERS	85,56	1,12,98	1,40,45	1,45,03
CIVIL WORKS INCLUDING COMMUNICATION WORKS AND CENTRAL ROAD FUND	30,55	25,28	28,45	29,73
STATES' SHARE OF UNION EXCISE DUTIES ORDINARY AND ADDITIONAL	18,22	19,17	40,22	68,97
EXPENDITURE ON DISPLACED PERSONS	19,92	22,50	22,33	20,48
OTHER EXPENDITURE	94,01	1,91,28	1,83,41	2,05,91
TOTAL	4,69,97	6,38,80	6,73,90	7,68,39

NOTE—Dearness and other allowances of staff paid from contingencies are included under 'Contingencies'.

ANNEXURE XII

Note on Relief and Rehabilitation Schemes for Displaced Persons

This note mentions some of the schemes undertaken by the Government for relief and rehabilitation of displaced persons.

I. Relief.

Homes and infirmaries are run in certain States to lodge unattached women and children and old and infirm persons until they are dispersed or rehabilitated. 22,250 of such persons from West Pakistan and 3,37,000 from East Pakistan are at present in these homes and infirmaries as well as in camps where arrangements for their feeding and clothing exist. These homes and camps are run by Government through the agency of various social organisations or State Governments. It is now proposed to transfer the administrative control of these institutions, in the Western Zone to State Governments with effect from 1st May, 1958. The expenditure will, however, continue to be borne by the Government of India. The expenditure on these homes and infirmaries and camps during 1958-59 is estimated to amount Rs. 650 lakhs.

II. Rehabilitation.

Under the various rehabilitation schemes financial assistance to displaced persons is provided mainly for education, vocational and technical training and medical facilities. In the case of displaced persons from West Pakistan the main emphasis is on the payment of compensation for immovable property left in Pakistan. As the payment of compensation takes time, it is necessary to continue certain rehabilitation measures during the Second Five-Year Plan period :

(i) *Education.*

The schemes provide for (a) stipends to students, (b) grants for examination fees, books, etc., (c) contribution towards expenditure on primary education in Government-sponsored schools in Eastern States for displaced persons from East Pakistan, (d) grants to educational and technical institutions, for reservation of seats for displaced persons, (e) grants to institutions for expansion of accommodation, purchase of equipment, etc. for providing educational, medical and cultural facilities to displaced persons and (f) construction of buildings for new schools, and colleges in rehabilitation colonies. In the case of displaced persons from West Pakistan some work has been transferred to the Ministry of Education with effect from 1st December, 1957.

(ii) *Vocational and technical training.*

Displaced persons are given vocational and technical training in various trades, in centres run by Central and State Governments. The expenditure on training schemes consists mainly of (a) stipends to students (b) purchase of equipment, (c) construction of buildings, and (d) pay and allowances to staff. The training schemes for displaced persons from West Pakistan are proposed to be transferred to the Ministry of Labour and Employment during 1958-59 for merger with the regular schemes of vocational and technical training. These schemes are expected to cost Rs. 35·48 lakhs in the year 1958-59. A provision of Rs. 88·13 lakhs has been made in the budget of the Ministry of Rehabilitation for the next year for training of about 8,500 persons from East Pakistan.

(*iii*) *Medical facilities for displaced persons.*

These facilities are provided to displaced persons from East Pakistan. A provision of Rs. 51·72 lakhs has been made in the Budget Estimates for 1958-59 for expenditure on the following broad items:—

(*a*) recurring expenditure on 1,063 T.B. beds reserved in various T.B. hospitals; and

(*b*) financial assistance to displaced patients and their families.

III. Interim Relief Schemes for Displaced Persons.

As a result of an agreement with Pakistan in April, 1949 a Central Claims Organisation was set up under the Ministry of Rehabilitation to process the claims in respect of pension, provident fund, pay, leave salary and security deposits, etc. of the displaced Government servants of undivided Provinces, employees of princely States and local bodies in the undivided Provinces, and to arrange their settlement with the authorities in Pakistan. In 1950, this decision was extended to similar claims of such of the Central Government servants who opted finally for one country but subsequently migrated to the other. As the pace of verification of the claims was very slow, a further agreement was reached in May, 1950 under which it was agreed that provisional payments on behalf of Pakistan may be made in respect of the following claims, pending their final verification by the Pakistan authorities:—

(*i*) full payment of pensions already sanctioned in Pakistan; and

(*ii*) 50 per cent. of provident fund balances.

2. The Indo-Pakistan Provisional Payment scheme mentioned above did not cover a number of displaced persons whose pensions, etc. were due from Pakistan Government. In order to mitigate their hardship, the Government of India sanctioned an interim relief scheme which affords relief to displaced persons in the following categories:—

(*a*) *Pension due but not sanctioned.*

Relief to the extent of 50 per cent. of pension due in Pakistan, subject to a maximum of Rs. 150 per month, is paid in such cases, pending verification of the claims by the Pakistan Government. This scheme has since been replaced by *ad hoc* payment scheme mentioned below.

(*b*) *Displaced Court of Wards.*

Displaced wards in indigent circumstances in India whose estates were under the control of Court of Wards in West Pakistan are given a monthly allowance which varies from Rs. 25 to 250 depending on the extent of the estate and the allowance drawn in Pakistan.

(*c*) *Displaced persons who had Post Office Savings Bank Accounts, Cash Certificates and Postal Life Insurance policies in Pakistan.*

Persons having no source of income, who could not get their Post Office Savings Bank Accounts and Cash Certificates transferred to India and who had got their claims registered with a post office in India by the prescribed dates, were eligible for monthly allowance, at the rate of Rs. 75 to Rs. 100 subject to total payment being not more than half of the holdings in Postal Department. In case of Postal Life Insurance policies, relief up to 50 per cent. of the amount assured at the rate of Rs. 100 per month used to be granted, subject to the condition that the policy has matured.

This interim relief scheme, which was introduced with effect from 1st April, 1952, was discontinued with effect from 1st March, 1957, as the Postal Department is now making full payments of the Postal Deposits without waiting for verification by Pakistan.

(*d*) *Ex-employees of Punjab Public Library, Lahore.*

Fifty per cent. of the provident fund amount at the credit of those who could not obtain their dues from the authorities concerned in Pakistan is paid under this scheme.

(*e*) *Survivors of the victims of Quetta earthquake.*

Full allowance which the claimants were receiving in Pakistan is paid.

(*f*) *Extraordinary pensions.*

The former employees of undivided Provinces of Sind and N.W.F.P., who were injured or killed during civil disturbances, or their dependents, are being paid extraordinary pensions. Relief is given in these cases at the rates allowed by the Punjab Government in similar cases.

(*g*) *Family disability pensions.*

Under this scheme relief is sanctioned to the former employees of undivided Provinces of Sind and N.W.F.P. and of the States of Bhawalpur and Khairpur or to their dependents. Relief is given at full rates in cases in which pension was sanctioned in Pakistan, while in cases in which it was due but had not been sanctioned in Pakistan, the pension at the rates allowed by the Punjab Government in similar cases is paid.

3. *Ad-hoc payments.*—In view of the inordinate delay that has occurred in verification by the Government of Pakistan of the claims on account of pay, leave salary, provident fund balances, pension, etc. of displaced persons, the Government of India have decided that these claims should be examined by an *Ad Hoc* Committee in the light of such documentary or collateral evidence as may be available, and payment be made provisionally to the extent a claim is accepted by the Committee.

IV. Dandakaranya Project.

THE DANDAKARANYA SCHEME

Due to heavy migration of displaced persons from East Pakistan the problem of their rehabilitation has become increasingly difficult. The States of West Bengal, Tripura and Assam have already reached saturation point. In other States also suitable agricultural lands are not available and whatever is available is of marginal or submarginal character. Further, these States have their own problem of landless agriculturists and whatever land is available is required to meet the needs of the indigenous population. As it is necessary that a new area should be explored for the rehabilitation of displaced persons from East Pakistan who continue to come to India in a steady stream, it has been decided to take up integrated development of an area called "Dandakaranya" on the borders of Andhra, Orissa and Madhya Pradesh. This area consists of primaeval forest tract of about 80,000 sq. miles. It has rich mineral resources and has a meagre population. After development, it is expected to absorb a large number of new inhabitants. The expenditure on the scheme during the first three years beginning from 1957-58 is estimated to be of the order of Rs. 10 crores. A provision of Rs. 3 crores has been made in the Budget for 1958-59.

V. Compensation for immovable property left in Pakistan by West Pakistan displaced persons.

The scheme for payment of compensation under the Displaced Persons (Compensation and Rehabilitation) Act, 1954 visualises the payment of compensation to over 4,65,000 displaced persons from West Pakistan. This number is exclusive of displaced persons who have to be paid rehabilitation grants under Rules 95, 96, 97 and 97A of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 made under the said Act.

For the purpose of payment of compensation and rehabilitation grants to displaced persons, a Compensation Pool has been created under section 14 of the Act. This consists of :—

(*i*) all evacuee property acquired under section 12 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 including the sale proceeds of any such property and all profits and income accruing from such property;

(*ii*) such cash balances lying with the Custodian as may, by order of the Central Government, be transferred to the Compensation Pool;

(*iii*) such contributions, in any form whatsoever, as may be made to the Compensation Pool by the Central Government or any State Government; and

(*iv*) such other assets as may be prescribed.

The scheme envisages the payment of compensation to claimants in kind, but with a view to afford immediate relief to the more vulnerable sections of the refugee population, a number of priorities have been laid down and it has been decided to pay to the priority claimants in cash or both cash and National Plan Savings Certificates up to certain monetary limits.

Up to December, 1957, 246,568 claimants were paid compensation to the extent of Rs. 74 crores—Rs. 43·37 crores in cash, Rs. 18·85 crores by transfer of property and Rs. 11·78 crores by adjustment of public dues. It is estimated that during the year 1958-59 a sum of Rs. 27 crores will be paid to about 1,10,000 claimants, mostly with smaller claims. This will consist of Rs. 3 crores as value of Government-built property transferred, Rs. 7 crores as loans, etc. adjusted as compens tion, Rs. 8 crores as cash payment and Rs. 9 crores on account of the value of evacuee property transferred. As Government accounts are kept on cash basis, provision has been made only for the first three items in the Demand 'Capital Outlay of the Ministry of Rehabilitation'.

As the payments on account of compensation amount to asubstantial sum, it has been decided by Government to debit these payments initially to Capital and then write them back to Revenue. A portion of the compensation payments is met out of the sale proceeds of evacuee property which are initially taken to Revenue and then transferred to Capital. Such receipts during the next year are estimated at Rs. 2·5 crores.

VI. Loans

Loans are advanced to displaced persons to enable them to secure shelter and gainful employment, for settling in business in urban areas or agriculture in rural

areas and for setting up or extension of medium, small-scale and cottage industries. Funds provided in the Budget Estimates, 1958-59 for different categories of loans are given below:—

Budget Estimates, 1958-59

(In lakhs of rupees)

Kind of loan	West Pak. D. Ps.	East Pak. D. Ps.	Total
Housing Loan	92·63	243·35	335·98
Urban Loan	1·00	60·57	61·57
Rural Loan	35·11	407·34	442·45
Industrial Loan	60·00	100·00	160·00
Interim Relief to displaced persons	31·00	..	31·00
TOTAL	219·74	811·26	1031·00

Schemes for rural and urban loans to displaced persons from West Pakistan have been discontinued with effect from the year 1957-58. Some provision has however, been made (included in the amounts indicated above for displaced persons from West Pakistan) for displaced persons from Kohat in West Pakistan and from Jammu and Kashmir as shown below:—

	Urban	Housing	Rural
Displaced Persons from Kohat	..	..	5·11
Jammu and Kashmiri displaced persons	1·00	20·00	30·00

ANNEXURE XIII.

Special Development Fund and other Foreign Assistance

The Special Development Fund was started in October, 1951, from the sale proceeds of American Loan Wheat and wheat obtained from Commonwealth countries under the Colombo Plan. Later on, other items relating to Colombo Plan; the assistance received under the Indo-U. S. Technical Co-operation Agreement and from Norway for the development of fisheries community were also brought into the Fund. The statement below gives the details of the transactions of the Fund.

(In lakhs of Rupees)

Sub-Major Heads	Opening Balance as on 1-4-56	Actuals, 1956-57		Revised, 1957-58		Budget, 1958-59		Closing Balance as on 31-3-59
		Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	
1	2	3	4	5	6	7	8	9
1. Fund from the sale proceeds of American Loan Wheat . .	96	3,85	3,25	..	..	..	..	1,56
2. Fund from the sale proceeds of wheat received under the Colombo Plan . . .	3,15	37	..	..	..	..	..	3,52
3. Fund from other assistance under the Colombo Plan . . .	6,13	4,47	1,91	6,34	3,47	3,86	2,57	12,85
4. Fund from assistance under the Indo-U. S. Technical Co-operation Agreement . .	30,65	21,97	11,33	18,84	9,49	20,63	11,63	59,64
5. Fund from assistance from Norway for Fisheries Community Development	..	7	7	46	46	25	25	..
6. Fund from the sale proceeds of American Loan commodities .	..	..	..	35,02	..	10,47	..	45,49
7. Fund from assisance under Public Law, 480	..	..	..	..	..	82,00	21,00	61,00
TOTAL . . .	40,89	30,73	16,56	60,66	13,42	117,21	35,45	184,06

*As the accounts have not yet been closed finally, the figures given in columns, 2, 3 and 4 are provisional

Fund from the sale proceeds of American Loan Wheat.

The net cash realised by the sale of American Loan wheat was credited to this head. The debits represent the loans made to the State Governments out of this Fund for development schemes approved in the Plan.

und from the sale proceeds of wheat received under the Colombo Plan

A credit of Rs. 11·09 crores was afforded to this head on account of the sale proceeds of gift wheat received under the Colombo Plan from Canada and Australia. The fund was utilised for grant of loans to the West Bengal and Hyderabad Governments for the Mayurakshi and Tungabhadra Projects respectively.

Fund from other assistance under the Colombo Plan.

The assistance received from Commonwealth countries under the Colombo Plan in the form of equipment, materials, etc. other than wheat is accounted for under this head. Provision has been made next year for receipt of hydroelectric equipments for Umtru Project, atomic reactors at Trombay, Bombay wagons and railcars for Indian Railways and equipments for National Dairy Research Institute, Karnal, All India Radio, Dairy Development and Rural Electrification Scheme. Provision has also been made in next year's budget for receipt of cash grant from New Zealand for Delhi Milk Supply Scheme.

Fund from assistance under the Indo-U.S. Technical Co-operation Agreement.

The estimated cost of the materials and equipments received under the various Agreements with the Technical Co-operation Mission are credited to this head by debit to the head " 87—Capital Outlay on Schemes of Government Trading". As soon as the materials and equipments are made over to the State Governments, either as loans or as grants-in-aid, the Capital head is relieved by *per contra* debit to the final head, which is simultaneously cleared by debt to the Fund. Similarly in the case of schemes run by the Central Government the debit for the equipment etc. is adjusted against the head concerned by contra credit to the head '87', the debit being simultaneously cleared by recovery from the Fund. The repayment of loans by the States is credited direct to the Fund for subsequent utilisation on agreed development schemes. The sale proceeds of fertilisers and steel for agricultural use are earmarked for community development projects.

Fund from assistance from Norway for Fisheries Community Development.

This head records the assistance received from the Government of Norway for fisheries community development in Kerala. The project is managed by the State Government and the equipment received from Norway is given to that Government as grant-in-aid.

Fund from the sale proceeds of American Loan Commodities.

The agreements entered into with the Government of U.S.A. through the Technical Co-operation Mission in March 1955, July 1956 and June 1957 provide for the supply of certain commodities like wheat, cotton, fertiliers iron and steel equipments for rural electrification, storage godowns, tube well casing equipments for malaria control, etc. The surplus agricultural commodities, *viz.*, wheat and cotton are paid for intially in rupees in India to the re resentatives of the U.S.A. Government and agreed sums are later paid bac b the U.S.A. Governmen

partly as loan and partly as grant to the Government of India. The loan received from the U.S.A. Government is taken to the head "N-Public Debt—Other Debt" and grant is credited to Revenue. The invoice value of the equipments received on loan account is debited to the head "87—Capital Outlay on Schemes of Government Trading" by *per contra* credit to "N—Public Debt". The sale proceeds of the commodities when realised are credited to the head '87'. A sum equivalent to the sale proceeds is simultaneously credited to this Fund by debit to the Capital major head "85-E.—Transfer of Development assistance form the Government of U.S.A." Provision has been made in the next year's budget for transfer of Rs. 10·47 crores to the Special Development Fund.

Fund from assistance under Public Law 480.

The Agricultural Commodities Agreement between the Governments of the U. S. A. and India under the Agricultural Trade Development and Assistance (Public Law 480) was signed in August 1956. Under this agreement, certain surplus agricultural commodities like wheat, rice, cotton, tobacco, dairy products are purchased by the Government of U. S. A. for supply to the Government of India and the rupee equivalent of the dollars thus paid by the U. S. A. Government is piad to that Government in India, a part of which is later made available to the Government of India partly as loan and partly as grant for being utilised upon agreed projects or schemes. Current Budget assumed a credit for Rs. 65 crores Rs. 55 crores as loan and the balance as grant. The details of the projects to be financed from these loans and grants have not, however, yet been settled. No credit is accordingly being assumed in the Revised Estimates. A sum of about Rs. 82 crores is expected to be received next year from the Government of U. S. .A. on this account. Of this Rs. 14 crores will be as a grant and the balance as a Loan. These receipts will also be transferred to the Special Development Fund as in the case of sale proceeds of American Loan Commodities mentioned above and necessary provision has been made in the next Budget accordingly.

The agreement with the Government of the U.S.A. provides that out of the total loan to be advanced by that Government under P.L. 480, a sum not less than $ 55 million will be reloaned by the Government of India to the private sector through established banking facilities under procedure to be agreed upon between the two Governments. It has accordingly been decided to set up a Re-finance Corporation in collaboration with the Reserve Bank of India and other banks to which the sum of $ 55 million received from the U.S.A. would be transferred in the form of loan. It is estimated that during 1958-59 a sum of Rs. 21 crores would be advanced to this Corporation. Necessary provision has accordingly been made in the Demand "Loans and Advances by the Central Government". As the loan is to be met out of the Special Development Fund, a withdrawal of an equivalent amount from the Fund has also been assumed.

OTHER ASSISTANCE

In addition, foreign assistance is also received from the Ford Foundation for a number of schemes in the field of education, public health, agriculture, social uplift, etc. These transactions are not passed through the Special Development Fund. The total assistance received to the end of the year 1956-57 from the Ford Foundation amounts to Rs. 2·68 crores approximately. During the current year a sum of Rs. 1·25 crores is expected to be received. Next Budget provides for a further assistance of Rs. 1·5 crores from this source.

Assistance is also received from certain specialised agencies of the United Nations Organisation such as United Nations Technical Assistance Administration, United Nations International Children's Emergency Fund, Food and Agricultural Organisation, etc.

Total assistance received from other countries by way of loans and grants during the five years of the first Plan period amounted to Rs. 166 crores approximately while receipts during 1956-57 amounted to about Rs.37·75 crores. Receipts this year are expected to be Rs. 105 crores and next year at about Rs. 325 crores. Total foreign assistance since 1951-52 to end of 1958-59 thus is estimated to be of the order of Rs. 630 crores approximately. This does not include Rs. 17 crores on account of loss on American loan wheat from U.S.A.

ANNEXURE XIV

Foreign Loans

The detail below give the progressive totals of foreign loans contracted and actually received from different sources for the purposes specified during the years 1949-50 to 1956-57 with the Revised and Budget Estimates for the current and next year.

I.—LOANS FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT

(In lakhs of Rs).

	First Railway Project Loan	Agricultural Machinery Project Loan	Bokaro-Konar Loan D.V.C.I.)	Second D.V.C. Loan	Second Railway Project Loan
(1) Amount contracted	15,42	3,43	8,81	5,00	42,86
(2) Amounts drawn during					
1949-50	11,14	1,38	..	..	..
1950-51	4,28	55	2,86	..	..
1951-52	..	7	87	..	..
1952-53	..	39	2,71	..	..
1953-54	..	1,04	50	..	..
1954-55	..	..	63	4	..
1955-56	.	.	1,19	1,25	..
1956-57	..	..	5	2,69	..
1957-58 (Revised)	..	..	..	80	29,28
1958-59 (Budget)	..	..	..	22	13,56
TOTAL	15,42	3,43	8,81	5,00	42,84

An agreement was signed in September, 1957 with the International Bank for Reconstruction and Development under which the Bank has afforded a credit of $90 million for purchase of Railway equipments from U.S.A., U. K. , Yugoslavia, Italy, Belgium Austria and Japan. The loan carries interest, at 5 5/8 per cent per annum and is repayable in 23 half yearly instalments commencing from 1st July, 1961.

Provision has been included for the repayment this year of Rs. 107 lakhs for the first Railway Project Loan Rs. 41 lakhs for the Bokaro-Konar Project Loan and Rs. 14 lakhs for the Second D.V.C. Loan. Budget, next year, provides Rs. 112 lakhs for the repayment of the first Railway Project Loan, Rs. 43 lakhs for the Bokaro-Konar Project Loan and Rs. 15 lakhs for the Second D.V.C. Loan.

The balance outstanding against each of these loans at the end of next year is shown in the statement of Public Debt at the end of Section II

II.—LOANS FROM THE GOVERNMENT OF THE UNITED STATES OF AMERICA

(In lakhs of Rs.)

(a) Wheat Loan

Amount contracted	90,31
Amount drawn during :	
1951-52	59,83
1952-53	30,48
TOTAL	90,31

The principal portion of American wheat loan is repayable in 60 half yearly instalments beginning from June, 30, 1957. The loan bears interest at 2 1/2 % per annum on the unpaid principal balance outstanding every half-year.

A provision of Rs. 108 lakhs has been included for repayment in the current year while Budget, next year provides for the payment of Rs. 110 lakhs. The balance outstanding against this loan at the end of 1958-59 will be Rs. 88,13 lakhs.

(*b*) **Loans for purchase of wheat, cotton , fertilisers, etc.**

(i) Under the Agreement signed with the U.S.A. Government through the Technical Co-operation Mission in March, 1955, the Government of U.S.A. agreed to provide a loan of $ 45 million for the purchase of certain commodities like wheat, cotton, steel, fertilisers, etc. The loan will carry interest at 4% per annum and the principal of the loan will be repayable semi-annually beginning from 31st March, 1959, Interest on the amount outstanding from time to time will also be paid likewise beginning from 30th September, 1958.

The Revised Estimates, 1957-58 and Burget Estimates, 1958-59 assume drawals at Rs. 11·84 crores and Rs. 1·45 crores, respectively.

(ii) A second Agreement with the Government of U.S.A. for a further sum of $ 37·5 million was signed in July, 1956. The loan is intended for the purchase of commodities like wheat, cotton, steel, fertilizers, etc. It carries interest at 3% per annum if paid in U.S. dollars and at 4% per annum if paid in Indian rupeees. The principal of this loan will, however, be repayable semi-annually beginning four years after the end of the month in which the first disbursement is made under the loan agreement. The Revised Estimates, 1957-58 and the Budget Estimates, 1958-59 assume Rs.2·77 crores and Rs. 12·75 crores, respectively as estimated drawals against the loan.

(iii) A third Agreement with the Government of U. S. A. for a loan of $ 47·5 million was signed in June 1957. The loan is intended, as in the case of two earlier loans, for purchase of Railway Steel, surplus agricultural commodities (wheat and cotton) and equipments for cement industry. Survey of India, Community Development Projects. It carries interest at 3 % per annum if paid in U. S. dollars and at 4% per annum if paid in Indian Rupees. The principal of the loan is payable semi-annually commencing four years after the first disbursement is made. Current years' Revised Estimates provide for drawal of Rs. 3·72 crores while Rs. 8·65 crores are expected to be received next year.

(c) **Loan under P. L. 480**

The Agricultural Commodities Agreement between the Governments of U. S. A. and India under the Agricultural Trade Development and Assistance Act (P. L. 480) was signed in August, 1956. Under this Agreement, the U.S.A. Government has undertaken to finance the sale to the Government of India of certain surplus agricultural commodities like wheat, rice, cotton tobacco, etc. The Agreement also provides that India will credit U. S. Government Account in India with the rupee equivalent of the: dollars paid for the purchase of the aforesaid commodities in the U.S.A. from time to time. The major portion of the rupees so credited will be subsequently made available to India either as "loan " or as "grant" for expenditure on projects agreed between the two countries.

Current year's budget provided for receipt of Rs. 65 crores of which Rs. 55 crores were to be received as loan and the balance as grant. Due to delay in the finalisation of the projects to be financed out of this assistance no loan or grant is now expected to be received this year. Next year's budget assumes total assistance of Rs. 82 crores under this agreement of which Rs. 68 crores would be in the form of loan and the balance as a grant.

Recently the Government of U. S. A. agreed to render further assistance to India by authorising another loan of $ 225 millions. The terms and details of the loan are under negotiation. Next year's budget assumes an *ad hoc* credit of Rs. 100 crores in this regard.

III.—LOAN FROM THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Loans for the Bhilai Steel Project

An Agreement was signed in February, 1955 with the Government of U.S.S.R. for the a supply of plant, machinery , equipment, etc. worth about Rs. 63 crores, approximately, on credit for the Bhilai Steel Project. The Agreement provides that credit afforded for each consignment shall be repaid in twleve equal instalments with interest at 2 1/2 % per annum. The Revised Estimates, 1957-58 include Rs. 15 crores as the anticipated cost of equipment, etc. to be received from the Government of U.S.S.R. and Rs. 1·4 crores towards repayment of the loan. The Budget Estimates for 1958-59 assume Rs. 35 crores and Rs. 4·32 crores, respectively for the same purpose.

IV.—LOAN FROM OTHER SOURCES

(i) Negotiations are underway for agreement with the West Germany Government for deferred payments in respect of machineries and equipments for Rourkela Steel Plant. The details are still to be finalised. As an ingterim arrangement postponement of payment for equipments supplied during part of the current year has already been agreed to by the German Government. Credits of Rs. 14 crores this year and Rs. 30 crores next year have been assumed.

(ii) An agrement with M/s Lazard Brothers and Company Ltd., London, a syndicate of private Banks provides for a loan of £ 11·5 million for financing the sterling portion of the contract with M/s. Indian Steel Works Construction Co. Ltd., for Durgapur Steel Plant. Interest payable is 1% above the Bank of England official discount rate ruling from time to time subject to a minimum of 4 1/2%. So far Rs. 67 lakhs have been drawn on this account, credit for which has been assumed in the Revised Estimates. No thing is expected to be drawn next year.

(iii) In addition to the various loans mentioned above, some loans from other sources are also likely to be received next year. Japan has agreed to give credit of about Rs. 24 crores. The Union of Soviet Socialist Republics have also offered a long term credit of 500 million Roubles, (approximately Rs. 60 crores) to be applied towards setting up of a heavy, machine building plant, coal mining machinery manufacturing plant, etc. Canada has also announced recently additional assistance. An *ad hoc* credit of Rs. 15·13 crores has been assumed in next year's Budget for the assistance to be received for these and other sources.

ANNEXURE XV

Investments made by Central Government in Industrial Undertakings.

(In lakhs of Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Actuals 1956-57	Revised Estimate, 1957-58	Budget Estimate, 1958-59	Total
Ministry of Commerce and Industry							
1. Institute of Small Scale Industries. . .	..	..	..	4	39	10	53
2. Investment in State Trading Corporation .	100 %	..	..	1,00	..	2,50	3,50
3. National Small Industries Corporation .	100 %	..	10	..	..	..	10
4. Orissa Mining Corporation . . .	50 %	..	..	3	3	..	6
5. National Industrial Development Corporation	100 %	..	10	..	..	..	10
6. Civil Explosiver Factory . . .	20 %	..	10	20	10	..	40
7 Diesel Engine Factory	..	..	..	..	1	..	1
8. Heavy Electrical (Private), Ltd . .	100%	..	..	24	1,21	1,00	2,45
9. Hindustan Antibiotics (Private), Ltd. .	100 %	3	1,86	99	15	1	3,04
10. Hindustan Insecticides (Private), Ltd. .	100 %	..	38	24	35	3	1,00
11. Hindustan Machine Tools (Private), Ltd. .	100 %	14	3,46	..	..	..	3,60
12. National Instruments, Factory . . .	..	4	1,02	13	20	..	1,19
13. Nangal Fertilizers (Private), Ltd . .	100 %	..	..	1,79	2,26	4,05	8,10
14. Salt Works . .	100 %	..	25	..	18	20	63
15. Sindri Fertilizer and Chemicals (Private) Ltd. . . .	100 %	15	9,03	..	..	..	9,18
16. Additional Fertilizers Factory . . .	..	..	..	1	..	..	2

(In lakhs of Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Actuals 1956-57	Revised Estimate, 1957-58	Budget Estimate, 1958-59	Total
17. Heavy Electricals Equipment Factory	..	..	..	6	..		6
18. Hindustan Cables (Private),Ltd.	100 %	..	125	..	..	..	1,25
19 Hindustan Heavy Engineering Corporation (Private) Ltd.	100 %	..	..	..	..	75	75
20. Export Risk Insurance Corporation	..	..	..	..	50	..	50
21. Handi Crafts Corporation	..	..	..	..	..	10	10
Ministery of Education and Scientific Research							
National Research Development Corporation	100 %	..	30	..	..	..	10
Ministry of Finance							
1. International Finance Corporation	..	..	..	2,11	..	..	2,11
2. Life Insurance Corporation	100 %	..	..	5,00	..	..	5,00
3. State Financial Corporation for Punjab and Delhi	..	..	..	..	14	.	14
4. Tripura State Bank, Ltd	.	..	2	..	..	..	2
Ministry of Food and Agriculture							
1. Vindhya Pradesh Co-operative Bank	..	..	1	..	..	..	1
2. Himachal Pradesh Co-operative Bank	..	..	1	..	..	..	1
Ministry of Health							
Plant and Equipment for Dry freeze vaccine Laboratory, Guindy	100 %	..	..	..	2	1	3
Ministry of Irrigation and Power							
National Projects Construction Corporation	100 %	..	..	5	20	25	50
Ministry of Rehabilitation							
1. Rehabilitation Housing Corporation Ltd., Delhi	80%	3	17	..	..	..	20
2. Sindhu Resettlement Corporation	..	..	25	..	..	.	25

(In lakhs of Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Actuals 1956-57	Revised Estimate, 1957-58	Budget Estimate, 1958-59	Total
Ministry of Steel Mines and Fuel							
1. Bhilai Steel Plant	100%	..	1,23	8,93	..	..	10,16
2. Durgapur Steel Project	100%	..	8	13,42	..	..	13,50
3. Hindustan Steel Ltd.	80%	..	4	500	1,51,16	1,57,89	3,14,09
4. Coal Washeries Project	100%	..	..	..	50	1,00	1,50
5. Indo Stanvac Petroleum Project	25%	..	64	51	51	52	2,18
6. Oil India (Private) Ltd.	..	..	..	..	..	10	10
7. National Coal Development Corporation (Private), Ltd.	100%	..	..	..	..	50	50
8. Neyveli Lignite Corporation (Private), Ltd.	100%	..	..	4,97	4,00	7,00	15,97
9. Establishment of 4th Steel Plant	100%	..	..	..	..	50	50
10. Bolani Ores (P) Ltd.	50·5%	..	..		10	40	50
11. Sinngareni Collieries (P) Ltd	..	..	..		..	30	30
12. Mysore Iron & Steel Corporation	..	..	..	..	..	1	1
13. Hindustan Machine Tools (Private) Ltd.	..	..	..	..	30	..	30
14. Orissa Mining Corporation	50%	..	..	..	..	3	3
Ministry of Transport and Communications							
1. Eastern Shipping Corporation	100%	1,48	2,59	74	83	52	6,16
2. Western Shipping Corporation	100%	..	..	2,70	2,00	2,50	7,20
3. Air Corporations	100%	..	15,42	5,20	6,08	6,57	33,27
4. Deccan Airways, Ltd.	68%	..	16	..	..	..	16
5. Indian Telephone Industries	89·7%	1,19	2,40	..	..	..	3,59
6. Hindustan Ship Yards	66· %	..	6,00	57	30	52	7,39
7. Establishment of Second Shipyard	..	..	..	..	..	2	2

(In lakhs of Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Actuals, 1956-57	Revised Estimate 1957-58	Budget Estimate, 1958-59	Total
Ministry of Works, Housing and Supply							
1. Hindustan Housing Factory (Private), Ltd.	100 %	..	2	..	12	..	14
2. Ashoka Hotels (Private) Ltd. . . .	84%	..	26	58	..	..	84
Department of Atomic Energy							
1. Atomic Energy Establishments .	100 %	..	..	9	29	1,12	1,50
2. Messrs Indian Rare Earths Ltd. . .	55%	28	16	20	..	..	64
3. Canada—India Reactor . . .	..	..	..	1,25	3,25	1,77	6,27
4. Pilot Plant at Ghatsila	..	..	3	1	1	2	7
5. Apsara Reactor . .	..	..	..	10	5	1	16
6. Thorium Uranium Plant . . .	100 %	..	58	2	..	2	62
7. Travancore Minerals (Private), Ltd. .	50 %	..	..	25	..	...	25
8. Uranium Metal Processing Plant . .	..	..	..	1	10	16	27
9. Zerlina Reactor .	..	..	..	..	10	50	60
10. New Projects for Research and Development of Atomic Energy . .	..	..	..	..	5	50	55
TOTAL .		3,34	47,72	56,45	1,75,49	1,91,48	4,74,48

ANNEXURE XVI

PUBLIC BORROWING IN INDIA

The statement below compares the receipts on account of Rupee Loans, floated and discharged, during the 5 years ending 1957-58 as compared with the figures assumed in the respective Budget Estimates:—

(In lakhs of Rs.)

	1953-54		1954-55		1955-56		1956-57		1957-58	
	Floated	Discharged	Floated	Discharged	Floated	Discharged	Floated	Discharged	Floated	Discharged
Rupee Loans—										
Budget Estimates	1,00,00	1,16,70	75,00,	49,76	1,25,76	69,85	1,00,60	68	1,00,80	31,85
Actuals .	75,30	1,12,51	1,58,65,	46,15	1,04,13	69,08	1,58,16	80,02	1,36,66*	68,05*

*Revised Estimates.

The net realisations during the 5 years ending 1957-58, would amount to Rs. 257·09 crores. In addition a sum of Rs. 66·93 crores wa realised during the same period on sale of Securities held in Government account. The total net credit on account of loans from the public thus amounts to Rs. 324·02 crores during the 5 years ending 1957-58.

ANNEXURE XVII

UNFUNDED DEBT

The statement below gives the credits and debits, during the years 1953-54 to 1957-58, under the head 'Unfunded Debt':—

(In lakhs of Rs.)

	Credit	Debit	Net credit
Budget, 1953-54	1,80,92	1,25,25	55,67
Actuals, 1953-54	1,85,42	1,32,47	52,95
Budget, 1954-55	1,89,99	1,29,37	60,62
Actuals, 1954-55	2,14,59	1,44,10	70,49
Budget, 1955-56	2,16,41	1,47,81	68,60
Actuals, 1955-56	2,40,73	1,57,74	82,99
Budget, 1956-57	2,57,84	1,68,66	89,18
Actuals, 1956-57	2,69,09	1,91,66	77,43
Budget, 1957-58	2,93,70	1,95,28	98,42
Revised, 1957-58	2,90,72	2,12,23	78,49

The total net realisations on account of State Provident Funds, Post Office Savings Bank Deposits, National Savings Certificates and other items falling under the head "Unfunded Debt" during the 5 years ending March 1958 would amount to Rs. 362·35 crores.

ANNEXURE

*SUMMARY OF WAYS

(In crores of Rupees)

RECEIPTS	Accounts, 1952-53	Accounts, 1953-54	Accounts, 1954-55	Accounts, 1955-56	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
1. Revenue Surplus .	38·93	8·50	33·51	40·45	89·90	5·05	..
2. Rupee Loans raised .	·07	75·30	1,58·10	1,03·68	1,57,74	1,36·16	1,45·00
3. Net sales from Cash Balance Investment Account . . .	.	46·21	3·14	20·46	..	·01	·05
4. Other Loans raised .	33·38	1·53	·68	2·67	10·84	78·08	2,84,76
5. Small Savings (Net) .	40·15	37·81	55·16	66·55	59·01	60·00	100·00
6. Repayment of Loans by							
(*a*) States . .	13·80	13·21	17·47	25·22	34·60	94·30	62·22
(*b*) Others . .	3·16	5·69	6·48	8·10	7·49	16·95	12·47
7. Railway Funds— .							
(*a*) Depreciation Reserve.	34·43	33·98	33·72	48·68	47·68	49·53	48·59
(*b*) Revenue Reserve .	2·26	1·13	1·19	8·51	1·53	1·62	1·68
(*c*) Development .	12·76	3·30	9·70	7·57	20·64	22·05	27·52
8. Treasury Bills (Net) .	·96	19·66	1,36,92	1,23 30	2,40·45	3,80,00	2,05·00
9. Other debt heads (Net)	..	22·78	37·08	46·78	65·71	1,25·30	1,09·30
10. Opening Balance .	1,62·68	99·14	37·49	32·23	—4·65	51·04	50·55
TOTAL . . .	3,42·78	3,68·24	5,30·64	5,34·28	7,30·44	10,20·09	10,47·14

*Figures are 'net'.

XVIII

AN D MEANS BUDGET

(In crores of Rupees).

DISBURSEMENTS	Accounts, 1952-53	Accounts, 1953-54	Accounts, 1954-55	Accounts, 1955-56	Actuals, 1956-57	Revised, 1957-58	Budget, 1958-59
1. Revenue Deficit .	..	..	..	..	..	..	28·02
2. Capital Expenditure—							
(a) Defence . .	5·96	10·16	8·47	17·59	19·70	24·93	27·00
(b) Railways . .	7·05	11·85	32·25	67·52	1,07·38	1,38·47	1,38·84
(c) Others . .	26·11	2·17	1,26·69	42·25	1,47·43	2,98·43	3,25·51
3. Loans by Central Government to—							
(a) States . .	91·97	1,24·03	1,93·27	2,48·87	1,98·32	2,82·83	2,79·32
(b) Other	10·38	19·33	29·70	32·01	56·90	62·53	55·60
4. Discharge of debt .	5·89	1,15·38	49·43	72·29	83·23	77·57	31·43
5. Net purchase in Cash Balance investment Account .	15·60	..	..	..	2·89	..	..
6. Drawal from Railway Funds—							
(a) Depreciation Reserve	40·89	38·02	45·82	45·89	43·70	58·94	69·55
(b) Revenue Reserve	— ·04	..	..	— ·02	..	— ·09	— ·04
(c) Development .	8·10	9·81	12·78	12·14	19·85	25·93	36·70
7. Other debt heads (Net)	31·73	..	..	..	..	..	..
8. Closing Balance .	99·14	37·49	32·23	—4·26	51·04	50·55	55·21
TOTAL . . .	3,42·78	3,68·24	5,30·64	5,34·28	7,30·44	10,20·09	10,47·14

APPENDIX TO SECTION III

THE NATIONAL SMALL INDUSTRIES

Balance Sheet as on

Previous Year				Current year
1955-1956	**LIABILITIES**			**1956-57**
	Authorised Share Capital			
10,00,000	50,000 Shares of Rs. 100 each		..	50,00,000
	Issued, Subscribed and Paid-up-Capital			
10,00,000	20,000 Shares of Rs. 100 each			20,00,000
	Replacement Reserve			
	For Marketing Sales Vans Assets			
	As per last Balance Sheet		.. 1,25,549	
	Addition during the year		.. 3,50,392	
			4,75,941	
1,25,549	For Corporation Assets		.. 1,88,082	6,64,23
	Government Grant—Surplus Account			
	Balance of Marketing Sales Vans grant as per last Balance Sheet		.. 19,134	
	Add grant-in-aid received in the year			
	Corporation	6,99,173		
	Sales Vans	4,35,000	11,34,173	
			11,53,307	
	Less **Reserve for Assets**			
	Corporation	1,88,082		
	Sales Vans	3,50,392	5,38,474	
			6,14,833	
	Add **Profit as per Profit & Loss Account**			
	Export Order (Net)	2,69,064		
	Government Purchase (Gross)	66		
	Hire Purchase (Gross)	73,948	3,43,078	
			9,57,911	
11,25,549	Carried Over		..	26,64,023

CORPORATION PRIVATE LTD.

31st March, 1957.

Previous Year 1955-1956	ASSETS			Current Year 1956-1957
	Fixed Assets at cost			
1,71,115	As per separate schedule attached	..		12 74,583
	Stock of construction material	..		35,303
	Stock of Stationery& Forms (as valued and certified by Managing Director)			14,975
	Stock in Trade Materials etc.			
	(As per inventory prepared, certified and valued by the Managing Director)			
	(i) Shoes, Lasts, Packing Material etc.,	..	15,15,205	
	(ii) Hire Purchase (bulk) Machines		4,27,572	
	(iii) Hire Purchase Sewing Machines		1,43,650	
	(iv) Stocks in Sales Vans	..	45,633	
13,195	(v) Marketing Depots	..	27,276	21,59,336
	Work in Progress at cost			
	Industrial Estate OKHLA	..	14,54,067	
99,714	Industrial Estate ALLAHABAD	..	5,15,665	19,69,732
	Sundry Debtors			
	Unsecured but considered good	..	21,11,526	
15	*Less* Reserve	..	1,42,410	19,69,116
	Loans and Advances			
	Against Purchase of Construction Material	..	71,187	
	Against Purchase of Machinery	..	55,529	
	Against Electric Installations	..	55,000	
	Against Tube-Well at I.E. OKHLA		10,200	
	To Staff for Expenses	..	8,915	
46,526	To Subsidiary Corporation	..	8,081	2,08,912
1,360	**Pre-Paid Expenses**	..		8,415
3,31,925		Carried Over		76,40,372

THE NATIONAL SMALL INDUSTRIES

Balance Sheet as on

LIABILITIES

Previous Year				Current Year
11,25,549	Brought Forward	..		26,64,023
	Less **Loss**			
	Marketing Depots (Gross)	909		
	arketing Sales Vans (Net)	1,66,102		
29,693	Corporation (Net)	6,16,024	7,83,035	1,74,876
	Net Surplus (Subject to Taxation)			
	Unsecured Loans			
	Government of India	..		67,00,000
	Other Advances & Deposits			
	Security Deposit	..	76,044	
	Advance from Hirers of Machines	..	7,17,622	
37,029	Earnest Money for IED, OKHLA & ALLAHABAD	..	90,653	8,84,319
	Current Liabilities & Provisions			
	For Supplies	11,90,507		
	,, I.E. OKHLA & ALLAHABAD	5,36,215		
	,, Expenses	81,740		
	,, Salaries	24,833		
	,, Interest on Government Loan	58,296		
2,34,970	,, Sales Tax	64,891		19,56,482
14,27,841	Total	..		1,23,79,700

There will be contingent liabilities for balance price of land acquired at Okhla and Allahabad pending final settlement. There were contingent liabilities in respect of indemnities in force as on 31-3-1957 in favour of D.G.S. & D. in respect of two tenders under execution by Small Scale Units valued at Rs. 32,587/-.

CORPORATION PRIVATE LTD.,

31st *March*, 1957

ASSETS

Previous Year				Current Year
3,31,925	Brought Forward			76,40,372
Nil	**Security Deposit** . . .	..		599
	Cash & Bank Balances			
	Cash in hand	..	7,845	
	Stamps in hand	..	876	
	Cheques in hand	..	15,457	
	In Deposit Account with Banks			
	State Bank of India . . .	10,00,000		
	Punjab National Bank . . .	15,250	10,15,250	
	In Current Account with Banks			
	State Bank of India . . .	36,04,852		
	Punjab National Bank . . .	4,186		
10,44,469	Bank of Baroda	80,073	36,89,111	47,28,539
	Preliminary expenses . . .	1,873		
Nil	*Less* amount written off during the year . . .	1,873		*Nil*
51,447	**Industrial Exhibition 1955-56** .	..		*Nil*
Nil	**U.N.E.S.C.O. Exhibition amount recoverable**	..		8,016
Nil	**Liveries Suspense** . . .	..		2,174
14,27,841	Total	..		1,23,79,700

V. SAHAI & CO.
Chartered Accountants

A. S. E. IYER
Managing Director

SATISH CHANDRA—*Chairman*
PUPUL JAYAKAR—*Director*
P. C. ELEXANDER—*Director*
R. G. MUNDKUR—*Director*
B. D. KUMAR—*Director*

THE NATIONAL SMALL INDUSTRIES

Income and Expenditure Account (Corporation)

1956 Rs. As. P.	EXPENDITURE	Rs. As. P.	1957 Rs. As. P.
	To **Managing Directors Account :**		
	1. Salary	9,043 14 0	
	2. Travelling Allowances	2,272 10 0	
14,453 5 3	3. House Rent	677 9 9	11,994 1 0
Nil	To Director's Travelling Allowances		1,075 0 0
43,186 13 3	,, Salaries & Allowances		3,88,271 9 3
5,354 7 3	,, Office Rent		32,195 3 0
6,795 1 3	,, Stationery & Printing		12,640 9 3
1,183 14 0	,, Travelling Allowances		30,118 4 0
2,243 2 0	,, Telephone & Trunk Call Charges		23,379 0 0
2,722 6 0	,, Advertisement		2,375 9 0
530 5 0	,, Electric & Water Charges		1,037 4 0
294 8 6	,, Liveries & Uniforms		1,035 6 3
492 2 0	,, Postage & Telegrams		7,572 8 6
271 0 6	,, Cartage & Colliage & Conveyance		2,338 9 6
250 0 0	,, Audit Fee		2,700 0 0
27 15 0	,, Insurance of Staff Car		792 8 0
303 1 0	,, Book & Periodicals		1,609 14 0
680 15 3	,, Staff Car Expenses		5,775 12 3
2 9 0	,, Rates & Taxes		944 14 6
1 5 0	,, Repairs to Cycles, Furniture etc.		592 2 0
808 10 0	,, Miscellaneous Expenses		2,227 1 9
Nil	,, Hot & Cold Water Charges		651 15 0
,,	,, Bank Charges		419 14 0
,,	,, Publicity Charges		71,298 7 9
,,	,, Governments Quarters' Rent		3,027 9 0
,,	,, Repairs to Buildings		121 4 0
,,	,, Legal & Professional Fees		1,453 0 0
,,	,, Entertainment		151 12 0
,,	,, Discount on Sale of Samples		52 2 0
,,	,, Interest on Government Loan		14,052 12 0
79,601 8 3		Carried Over	6,19,904 0 6

CORPORATION PRIVATE LTD.

for the year ended as on 31st March, 1957

1956 Rs.	As.	P.	INCOME	1957 Rs.	As.	P
91	0	0	By Miscellaneous Receipts	470	0	0
Nil			,, Interest Received	11,867	3	9
,,			,, Commission & Discount	1,459	8	6
			,, Excess of expenditure over income carried over to the Balance Sheet	6,16,023	11	6
91,000	0	0	,, Grant-in-aid	*Nil*		
91,091	0	0	Carried Over	6,29,820	7	9

THE NATIONAL SMALL INDUSTRIES

Income and Expenditure Account (Corporation)

1956 Rs. As. P.	EXPENDITURE		1957 Rs. As. P.
79,601 8 3	Brought Forward		6,19,904 0
	To Preliminary Expenses		1,872 8 0
250 0 0	,, Subscription		*Nil*
	To Depreciation:		
	1. Furniture	463 5 9	
	2. Typewriters	1,753 9 9	
	3. Cycles	84 11 3	
	4. Staff Cars	2,759 6	
680 11 0	5. Jeep Cars	2,982 14 3	8,043 15 0
10,558 12 9	Balance Transferred to Balance Sheet		*Nil*
91,091 0 0	TOTAL		6,29,820 7 9

CORPORATION PRIVATE LTD.

for the year ended as on 31st March, 1957

1956 Rs. As. P.	INCOME	1957 Rs. As. P.
91,091 0 0	Brought Forward .	6,29,820
91,091 0 0	TOTAL . . .	6,29,820 7 9

V. SAHAI & CO.
Chartered Accountants

A. S. E. IYER,
Managing Director

SATISH CHANDRA—*Chairman*
PUPUL JAYAKAR—*Director*
P. C. ALEXANDER—*Director*
R. G. MUNDKUR—*Director*
B. D. KUMAR—*Director*

THE NATIONAL SMALL INDUSTRIES

Export Order Profit and Loss Account

	Rs.	As.	P.	Rs.	As.	P.
To **Purchase Less returns :**						
Shoe	33,41,422	5	0			
Last	8,477	9	8			
Sample	540	13	6			
Packing Material	15,268	14	3			
Raw Material	8,345	7	0			
				33,74,055	1	5
To Packing Expenses				1,34,873	0	6
,, Railway Freight & Forwarding Charges				29,694	3	9
,, Sample Expenses				520	4	6
,, Clearing Charges				23,809	4	0
,, Managing Directors/Directors T.A. Salary etc.				9,613	0	0
,, Pay and Allowances				1,96,001	0	0
,, Travelling Expenses				20,729	0	6
,, Cartage and Contingent Charges				3,457	7	3
,, Hire of Furniture & Fans				1,456	9	6
,, Hire of Premises				21,099	0	0
,, Printing & Stationery				15,916	5	6
,, Car Expenses				2,684	15	0
,, Telephone & Trunk Call				13,433	9	0
,, Conveyance				523	15	6
,, Electricity Charges				1,131	4	3
,, Postage & Telegrams				4,296	4	0
,, Bank Charges				982	12	0
,, Insurance Charges				5,436	9	0
,, Entertainment Expenses				3,092	9	3
,, Advertisement & Publicity charges				5,341	0	0
,, Repairs & Renewal				104	0	0
,, Hot & Cold Charges				349	0	0
,, Rent & Taxes				291	0	0
,, Liveries & Uniforms				621	0	0
,, Repairs to Buildings				79	0	0
,, Legal & Professional Fees				969	0	0
,, Audit Fee				2,000	0	0
,, Miscellaneous Charges				1,061	7	6
,, Interest on Government Loan				16,791	1	0
,, Depreciation				307	15	0
,, Sales Tax				61,230	0	0
,, Provision for Doubtful debts				1,42,410	0	0
,, Net profit transferred to Balance Sheet of the Corporation				2,69,064	2	5
TOTAL				43,63,424	12	10

CORPORATION PRIVATE LTD.

for the year ended 31*st March,* 1957.

	Rs.	As.	P.
By Sale of shoes by export	28,48,200	0	0
,, Stock of Shoes, lasts, packing materials (at cost)	15,15,204	10	10
,, Miscellaneous Receipts	20	2	0
TOTAL	43,63,424	12	10

V. SAHAI & Co.,
Chartered Accountants.

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R. G. MUNDKUR—*Director*
B. D. KUMAR—*Director*

THE NATIONAL SMALL INDUSTRIES

Profit and Loss Account (Sales Vans)

Previous Year 1956 Rs. As. P.					Current Year 1957 Rs. As. Ps.
Nil			To	Opening Stock	13,194 11 3
21,510	1	6	,,	Purchase Less returns	96,353 9 6
Nil			,,	Freight & Transport Charges	146 2 0
Nil			,,	Packing Charges	116 12 3
3,138	10	6	,,	Vans Expenses	18,816 10 6
1,745	10	0	,,	Managing Director's Salaries and Allowances	2,010 0 0
58	3	0	,,	Managing Director's Travelling Allowances	505 0 0
196	12		,,	Managing Director's House Rent	150 0 0
Nil			,,	Directors Travelling Allowances	239 0 0
10,242	8	9	,,	Salaries & Allowances	1,33,054 15 6
436	0	0	,,	Travelling Allowances	5,405 5 6
Nil			,,	Publicity Charges	2,612 14 0
220	6	3	,,	Miscellaneous Expenses	480 7 3
Nil			,,	Bank Charges	121 5 0
42	1	0	,,	Liveries & Uniforms	232 13 0
1,039	7	3	,,	Stationery & Printing	2,727 12 9
764	14	9	,,	Rate, Rent and Taxes	3,535 0 0
Nil			,,	Telephone Trunk Call Charges	3,277 0 0
Nil			,,	Entertainment	11 0 0
75	12	0	,,	Electric & Water Charges	295 0 0
Nil			,,	Repairs & Renewals	61 0 0
Nil			,,	Legal & Professional Fee	323 0 0
200	0	0	,,	Audit Fee	300 0 0
70	5	0	,,	Postage & Telegrams	983 0 0
330	13	3	,,	Staff Car Expenses	646 0 0
Nil			,,	Sales Tax	319 13 3
679	5	0	,,	Insurance	*Nil*
40,750	15	0		TOTAL	2,85,918 3 9

CORPORATION PRIVATE LTD.

for the year ended 31st March, 1957

Previous year 1956 Rs. As. P.		Current year 1957 Rs. As. P.
10,239 12 0	By sales	73,898 3 6
Nil	" Miscellaneous Receipts	284 11 0
13,194 11 3	" Closing Stock at cost	45,632 12 3
17,316 7 9	Net loss transferred to Balance Sheet . . .	1,66,102 9 0
40,750 15 0	TOTAL	2,85,918 3 9

V. SAHAI & Co.,
Chartered Accountants.

A. S. E. IYER,
Managing Director.

SATISH CHANDRA—*Chairman*
PUPUL JAYAKAR—*Director*
P. C. ALEXANDER—*Directo*
R. G. MUNDKUR—*Directos*
B. D. KUMAR—*Directo*

THE NATIONAL SMALL INDUSTRIES

Profit and Loss Account (Marketing Depots)

INCOME	1957 Rs.	As.	P.
To Purchase less returns	1,52,706	1	0
„ Packing Charges	2,194	4	0
„ Freight & Transportation Charges	1,033	13	0
TOTAL . . .	1,55,934	2	0

CORPORATION PRIVATE LTD.

For the year ended 31st March, 1957.

EXPENDITURE	1957 Rs.	As.	P.
By Sales less returns	1,27,749	7	3
" Closing Stock at cost	27,275	15	9
" loss transferred to Corporation Balance Sheet	908	11	0
TOTAL	1,55,934	2	0

V. SAHAI & Co.,
Chartered Accountants.

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R. G. MUNDKUR—*Director*
B. D. KUMAR—*Director*

THE NATIONAL SMALL INDUSTRIES

HIRE PURCHASE

Trading and Profit and Loss account

	Rs. As. P.	Rs. As. P.
To Purchase of Machines		
Bulk Account	4,47,400 15 9	
General Machines	11,45,043 5 9	
Sewing Machines	2,10,714 7 0	18,03,158 12
" **Miscellaneous Expenses**		
Sewing Machine	580 14 0	
Others	15 8 0	596 6
" **Bank Charges**		1,242 12 9
" **Gross Profit carried over to Corporation's Balance Sheet**		73,948 4 2
TOTAL		18,78,946 3 5

CORPORATION PRIVATE LTD.
OF MACHINES

For the year ended 31st March, 1957

		Rs. As. P.	Rs. As. P.
By Sales of Machines			
Sales		25,413 13 0	
Hire Purchase Sale			
Sewing	63,300 0 0		
General	11,39,361 3 6	12,02,661 3 6	12,28,075 0 6
By Stock in hand (at cost)			
(As per inventories prepared, certified and valued by the Managing Director)			
Bulk Machine		4,27,572 4 9	
Sewing Machine		1,43,650 0 0	5,71,222 4 9
By Miscellaneous Receipts		..	41 4 0
„ **Interest Received**		..	4,116 4 11
„ **Discount Received**		..	74,526 1 0
„ **Interest due on instalments**		..	965 4 3
TOTAL			18,78,946 3 5

V. SAHAI & Co.
Chartered Accountants

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Managing Director

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R. G. MUNDKUR—*Director*
B. D. KUMAR—*Director*

THE NATIONAL SMALL INDUSTRIES

Income and Expenditure Account

EXHIBITION

	Rs.	As.	P.
To Balance as per Balance Sheet 1955-56	51,447	4	3
" Salvage Value of the Stall refunded to the Government of India	13,800	0	0
" Claims against Losses	12	2	3
" Insurances	78	2	0
" Miscellaneous Expenses	0	0	6
TOTAL	65,337	9	0

INCOME AND EXPENDITURE ACCOUNT (Mr. Weddell's Report)

To Printing Charges	489	13	0
TOTAL	489	13	0

INCOME AND EXPENDITURE ACCOUNT (UNESCO EXHIBITION)

To Electrification Charges	4,662	15	0
" Design & Decoration Charges	2,000	0	0
" Conveyance & Cartage	118	12	0
" Furniture & Fittings	845	7	6
" Printing & Stationery	18	10	0
" Miscellaneous Expenses	370	9	9
TOTAL	8,016	6	3

PROFIT AND LOSS ACCOUNT (GOVERNMENT PURCHASE DIVISION)

To Purchases	1,810	0	0
" Gross profit carried to Balance Sheet	66	0	0
TOTAL	1,876	0	0

CORPORATION PRIVATE LTD.

for the year ended 31*st March,* 1957.

ACCOUNT

for the year ended 31*st March,* 1957.

	Rs.	As.	P.
By Grant from Government of India	65,337	9	0
TOTAL . . .	65,337	9	0

FOR THE YEAR ENDED 31st MARCH, 1957.

By Grant from Government of India	489	13	0
TOTAL . . .	489	13	0

FOR THE YEAR ENDED 31st MARCH, 1957.

By Balance being Amount recoverable from the Government of India carried to Balance Sheet	8,016	6	3
TOTAL . . .	8,016	6	3

FOR THE YEAR ENDED 31st MARCH, 1957.

By Sales	1,876	0	0
TOTAL . . .	1,876	0	0

V. SAHAI & CO.
Chartered Accountants

A.S.E. IYER,
Managing Director

SATISH CHANDRA—*Chairman*
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P.C. ALEXANDER—*Director*
R.G. MUNDKUR—*Director*
B.D. KUMAR—*Director*

SCHEDULE FORMING PART

Statement of Fixed Assets as on

	Dep. Rate	Purchase upto 31-3-56	Purchase during the year	Total cost as on 31-3-57	Depre- As on 31-3-57
		Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.
Corporation					
Land . .	*Nil*	*Nil*	5,58,260 7 9	5,58,260 7 9	*Nil*
Furniture and Fitting . .	6%	7,755 7 6	56,100 12 9	63,856 4 3	32 8 0
Typewriters .	15%	12,329 9 6	36,581 13 3	48,911 6 9	638 14 0
Staff Car & Jeep etc. . .	20% 25%	25,728 7 0	85,789 0 3	1,11,517 7 3	*Nil*
Cycles . .	20%	432 14 0	803 12 9	1,236 10 9	9 5 0
Office Equipment	*Nil*	*Nil*	4,646 1 6	4,646 1 6	*Nil*
Trade Marks Sales etc. . .	*Nil*	*Nil*	4,160 10 0	4,160 10 0	*Nil*
Marketing Sales Vans :—					
Sales Vans .	*Nil*	1,11,045 3 0	3,50,392 5 3	4,61,437 8 3	*Nil*
Staff Car . .	*Nil*	13,796 14 6	*Nil*	13,796 14 6	*Nil*
Furniture and Fittings. .	*Nil*	706 14 6	*Nil*	706 14 6	*Nil*
Export Order					
Furniture and Fittings. .	6%	*Nil*	11,946 13 9	11,946 13 9	*Nil*
Loose Machines	*Nil*	*Nil*	838 8 0	838 8 0	*Nil*
Typewriters	15%	*Nil*	1,891 8 0	1,891 8 0	*Nil*
Cycles . .	20%	*Nil*	408 10 6	408 10 6	*Nil*
TOTAL . .	Rs.	1,71,795 6 0	11,11,820 7 9	12,83,615 13 9	680 11 0

OF BALANCE SHEET

31st *March*, 1957

ciation		Total value as on 31-3-57	Reserve		
During the year	Total as on 31-3-57		As on 31-3-56	During the year	Total as on 31-3-57
Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.
Nil	*Nil*	5,58,260 7 9	*Nil*	*Nil*	*Nil*
463 5 9	495 13 9	63,360 6 6	*Nil*	56,100 12 9	56,100 12 9
1,753 9 9	2,392 7 9	46,518 15 0	*Nil*	36,581 13 3	36,581 13 3
5,742 4 3	5,742 4 3	1,05,775 3 0	*Nil*	85,789 0 3	85,789 0 3
84 11 3	94 0 3	1,142 10 6	*Nil*	803 12 9	803 12 9
Nil	*Nil*	4,646 1 6	*Nil*	4,646 1 6	4,646 1 6
Nil	*Nil*	4,160 10 0	*Nil*	4,160 10 0	4,160 10 0
Nil	*Nil*	4,61,437 8 3	1,11,045 3 0	3,50,392 5 3	4,61,437 8 3
Nil	*Nil*	13,796 14 6	13,796 14 5	*Nil*	13,796 14 6
Nil	*Nil*	706 14 6	706 14 6	*Nil*	706 14 6
179 9 3	179 9 3	11,767 4 6	*Nil*	*Nil*	*Nil*
6 10 9	6 10 9	831 13 3	*Nil*	*Nil*	*Nil*
94 9 0	94 9 0	1,796 15 0	*Nil*	*Nil*	*Nil*
27 2 0	27 2 0	381 8 6	*Nil*	*Nil*	*Nil*
8,351 14 0	9,032 9 0	12,74,583 4 9	1,25,549 0 0	5,38,474 7 9	6,64,023 7 9

BALANCE SHEET OF THE STATE

As at the

LIABILITIES	Rs.	Rs.	Rs.
SHARE CAPITAL			
Authorised			
1,00,000 shares of Rs. 100/- each .			1,00,00,000·00
Subscribed and paid up			
1,00,000 shares of Rs. 100/- each fully paid			1,00,00,000·00
RESERVES & SURPLUS			
Building Fund		20,00,000·00	
Insurance Fund		2,00,000·00	
General Reserve		4,00,000·00	
Capital Reserve		2,00,000·00	
(Amount received from Government as Grant-in-aid) Profit & Loss Account		63,210·27	
			28,63,210·27
LOANS			
Unsecured			
Overdraft from State Bank of India New Delhi		99,50,813·94*	
From Government of India . .		3,70,00,000·00	
			4,69,50,813·94
CURRENT LIABILITIES AND PROVISIONS			
Sundry Creditors		1,22,56,373·54	
Interest Payable on Government Loan		62,52,463·00	
Other Liabilities		79,61,501·12	
Alkalies Canalisation Suspense Account		29,47,340·34	
Claims Suspense		31,549·36	
Provisions for :			
Destinational weight and analysis risks	2,15,283·57		
Contingencies . . .	5,00,000·00		
Provident Fund and other staff benefits	2,00,000·00		
Taxation	51,00,000·00		
		60,15,283·57	
Proposed Dividend at 6% on the paid up Share Capital . . .		6,00,000·00	
			3,04,64,510·93
CONTINGENT LIABILITY			
(*i*) In respect of some of the transactions, no provision has been made in the accounts for Sale tax. The Corporation is of view that no Sales tax is chargeable on these transactions. In the unlikely event of the Corporation being held liable to pay Sales tax, the liability will not exceed Rs. 1,25,000/-			
(*ii*) There are also sundry claims against the Corporation to the extent of Rs. 20,000/- but the liability in this regard is being disputed by the Corporation.			
Carried forward .			9,02,78,535·1

*The Corporation has executed a Promissory note for Rs. 5 crores to the Government of India in consideration of guarantee given by the Government to the State Bank of India.

TRADING CORPORATION OF INDIA (PRIVATE) LIMITED

30th June 1957

ASSETS

	Rs.	Rs.	Rs.
FIXED ASSETS			
FURNITURE & FITTINGS			
Cost of purchases during the year	1,05,181·10		
Less Depreciation	2,010·90		
		1,03,170·20	
STAFF CAR			
Cost of purchases during the year	99,675·77		
Less Depreciation	9,211·07		
		90,464·70	
SCOOTERS			
Cost of purchases during the year	1,851·12		
Less Depreciation	286·00		
		1,565·12	
CYCLES			
Cost of purchases during the year	6,937·63		
Less Depreciation	531·66		
		6,405·97	
TYPEWRITERS & MACHINES			
Cost of purchases during the year	99,326·38		
Less Depreciation	6,347·23	92,979·15	2,94,585·14
CURRENT ASSETS :			
STOCK-IN-TRADE—GOODS IN TRANSIT : *at cost or market value whichever is lower* (as certified by the Managing Director)			
Stock in trade (include Stock of value of Rs. 76,39,285·90 with Selling (Agents)		91,88,446·26	
Goods in Transit		62,64,197·41	
			1,54,52,643·67
SUNDRY DEBTORS : UNSECURED			
Considered good **		2,06,08,025·38	
Less Reserve for Bad and Doubtful Debt		3,00,000·00	
			2,03,08,025·38
LOANS AND ADVANCES			
Unsecured and considered good			
Bills of exchange		21,39,341·68	
Foreign Trade Credits		2,91,90,000·00	
Advances (for expenses)		7,47,037·27	
Advances (to staff)		42,725·16	
Claims		1,41,286·47	
Deposits		55,892·50	
Books Debts outstanding for more than three months		1,816·28	
Advances to Suppliers			
Secured considered good	13,95,406·96		
Unsecured considered good	52,63,463·43		
Unsecured considered doubtful	90,000·00		
	67,48,870·39		
Less Reserve for Bad & Doubtful Debts	1,00,000·00		
		66,48,870·39	
			3,89,66,969·75
Carried forward			7,50,22,223·94

** These include sums aggregating Rs. 58,18,268·11 in respect of which letters of cred are available.

BALANCE SHEET OF THE STATE

As at the

LIABILITIES	Rs.
Brought forward . .	9,02,78,535·14
TOTAL .	9,02,78,535·14

Notes :

1. For supply of Ammonium Sulphate to the Ministry of Works, Housing and Supply, the question of commission to the Corporation is under negotiation with the Ministry. No credit for this item has been taken in the accounts.

2. Credit for "service fee" has not been taken in the accounts for arranging purchase of a cargo motorship for the Western Shipping Corporation from Yugoslavia. The matter is being pursued with the Party.

3. Despatch money roughly amounting to Rs. 50,000/- has been earned on certain mineral shipment. But this amount has not been taken credit for in the Profit and Loss Account because the details, and the confirmation of the transactions are still awaited.

4. Out of the Lines of Foreign trade credits aggregating Rs. 6·5 crores during the year a sum of Rs. 2·7 crores only was outstanding on 30-6-1957.

5. For the agency functions performed in respect of the Cement business and trade during the period, the Corporation has been allowed by the Government a service fee @ 1¼ % on gross turn-over of cement. A separate Bank Account has been maintained for the cement transactions. The accounts of the Cement Agency are also being maintained separate in the Corporation's books. The surpluses accruing in the Cement business are being held by the Corporation on behalf of the Government pending their decision in regard to their disposal. The statements of account for the year in respect of the Cement Agency are annexed.

S. G. BOSE MULLICK, *Secretary.*

D. SANDILYA, *Managing Director.*

K. B. LALL, *Chairman.*

NEW DELHI:
14th November, 1957.

TRADING CORPORATION OF INDIA (PRIVATE) LIMITED

30th June 1957

ASSETS	Rs.	Rs.
Brought forward .		7,50,22,223·94
INTEREST ACCRUED		
On Foreign Trade Credits	2,74,322·73	
On Short Term Call Deposits	6,498·37	
		2,80,821·10
Stock of Stationery		10,561·73
Stamps on hand		970·97
CASH AND—BANK BALANCES		
Short Term Call Deposits with State Bank of India, New Delhi	30,36,000·00	
Balance in current accounts with various branches of State Bank of India	1,15,33,026·96	
With State Bank of India National Bank of Egypt Special Account	3,89,370·78	
Cash on hand at Head Office and Regional Offices .	5,560·56	
		1,49,63,958·30
TOTAL .		9,02,78,535·14

AUDITORS REPORT

We have audited the foregoing Balance Sheet of the State Trading Corporation of India (Private) Limited as at 30th June 1957, and also the annexed Trading and Profit and Loss Account for the period ended on that date, in which are incorporated the audited returns from the Branches of the Corporation, and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;

2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books, and proper returns adequate for the purpose of our audit have been received from the branches of the Corporation in India ;

3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns ;

4. In our opinion and to the best of our information and according to the explanations given us, the Accounts read with the notes appended thereto give the information required by the Companies Act 1956, in the manner so required and give a true and fair view :—

   (*i*) in the case of the Balance Sheet, of the state of affairs of the Corporation as at 30th June 1957,

   (*ii*) in the case of the Profit and Loss Account, of the profit for the period ended on that date.

NEW DELHI ;
15th November, 1957.

S. VAIDYANATH AIYAR & CO.

Chartered Accountants.

THE STATE TRADING CORPORATION

Profit and Loss Account for the period

		Rs.	Rs.
To			
„ Salaries & Allowances		8,64,354·04	
„ Rent (Residential) contributions		13,836·66	
„ Foreign Service contributions		36,021·35	
			9,14,212,05
„ Travelling Expenses		75,364·76	
„ Bank charges		4,932·36	
„ Books & Periodicals		8,458·23	
„ Office Expenses		38,217·10	
„ Printing & Stationery		44,375·02	
„ Postage & Telegrams		32,291·76	
„ Rent		86,927·22	
„ Service vehicle Expenses		14,308·33	
„ Telephones		48,781·67	
			3,53,656·45
„ Advertisement Expenses		5,508·00	
„ Entertainment Expenses		17,29·81	
„ Sundry Expenses		8,934·75	
„ Rates & Taxes		4,899·25	
„ Legal Expenses		2,126·12	
„ Sales Tax		502·53	
			29,100·46
„ Audit Fees			15,000·00
„ Depreciation			18,386·86
„ Preliminary Expenses			1,190·00
PROVISIONS FOR :—			
(*i*) Destinational weight and analysis risks			
(*a*) Minerals	1,88,890·57		
(*b*) Other items	26,393·00	2,15,283·57	
(*ii*) Bad and Doubtful Debts		4,00,000·00	
(*iii*) Provident Fund and other Staff Benefits		2,00,000·00	
(*iv*) Contingencies		5,00,000·00	
(*v*) Taxation		51,00,000·00	
			64,15,283·57
„ Balance carried down			32,63,210·27
			1,10,10,039,66
To			
„ APPROPRIATIONS			
„ Building Fund			20,00,000·00
„ Insurance Fund			2,00,000·00
„ General Reserve			4,00,000·00
„ Proposed Dividends at 6%			6,00,000·00
„ Balance transferred to Balance Sheet			63,210·27
		TOTAL	32,63,210·27

NEW DELHI;
14th November, 1957

S. G. BOSE MULLICK,
Secretary.

S. VAIDYANATH AIYAR & CO.
Chartered Accountants.

OF INDIA (PRIVATE) LIMITED

18th May, 1956 to 30th June, 1957

	Rs.	Rs.
By		
„ Gross Profit forward from Trading Account		35,41,596·06
INTEREST		
„ On Foreign Trade Credit	11,89,213·12	
Less payable	6,52,463·00	
	5,36,750·12	
„ On Call Deposit	6,498·37	
„ Miscellaneous	515·02	
		5,43,764·51
COMMISSION		
„ Gypsum	9,480·29	
„ Ammonium sulphate	38,283·91	
„ Castorni Oil	6,291·18	
„ Tea	4,973·19	
„ Cashew Nuts	175·22	
		59,203·79
„ SERVICE CHARGES : Egyptian Special Account		1,460·00
„ SERVICE FEES for Agency functions in regards to Cement trade		68,32,580·59
„ Difference in Exchange		31,218.80
„ Miscellaneous Receipt		215·91
		1,10,10,039·66
„ Balance brought down		32,63,210·27
TOTAL		32,63,210·27

D. SANDILYA,
Managing Director

K. B. LALL,
Chairman

THE STATE TRADING CORPORATION

Summarised Trading Account for the period

	Rs.
To Purchases	8,81,57,340·73
„ Stock of Ore borrowed to complete sales (returnable in kind)	1,52,953·50
„ Freight	20,82,598·15
„ Interest & Bank charges	1,90,754·79
„ Clearing, handling & other charges	89,68,635·42
„ Custom duty	20,77,453·45
„ Commission	33,031·19
„ Remuneration to Agents	22,15,998·97
„ Insurance	80,305·07
„ Gross Profit carried over to Profit & Loss Account.	35,41,596·06
TOTAL	10,75,00,667·33

NEW DELHI;
14th November, 1957.

S. G. BOSE MULLICK,
Secretary.

S. VAIDYANATH AIYAR & CO.
Chartered Accountants.

OF INDIA (PRIVATE) LIMITED

18th *May*, 1956 *to* 30*th June*, 1957

	Rs.	Rs.
By Sales		9,18,58,841·31
By Closing stock on hand	9,18,446·26	
On Loan to other parties	1,89,182·35	93,77,628·61
By Goods in Transit		62,64,197·41
TOTAL		10,75,00,667·33

D. SANDILYA,
Managing Director.

K. B. LALL,
Chairman.

THE STATE TRADING CORPORATION

Trading Account Debts for the period

COMMODITY	PURCHASES		ORES BORROWED RETURNABLE IN KIND		RAILWAY FREIGHT
	Qty.	Value Rs.	Qty.	Value Rs.	Rs.
Iron Ore	T. 456153·15	18525807·38	5010·00	152953·50	1990623·10
Manganese Ore	T. 111088·5	16807589·64	..	..	91,975·05
Chrome Ore	T. 1526·10	237907·88	..	..	..
Handicrafts	Sundry items	407014·37	..	..	..
Shoes	pairs 325350	7016700·00	..	..	..
Soda Ash	T. 48923·5	12055495·61	..	..	..
Caustic Soda	T. 23723·13	11324425·74	..	..	..
Raw Silk	lbs. 238066·99	4990245·41	..	..	..
Salt	M. tons. 53204	1570682·42	..	..	..
Coffee	Tons 775	597453·75	..	..	..
Woollen fabrics	Yds. 3711	46197·37	..	..	..
Gunny bags	pcs. 600000	936000·00	..	..	..
Hemp	lbs. 397540	244360·07	..	..	..
Ammonium Sulphate	T. 24733·9	5607677·03	..	..	..
Chilean Nitrate	T. 8504	2412884·06	..	..	..
TOTAL		88157340·73	..	152953·50	2082598·15

*includes import duties.

NEW DELHI;
14th November, 1957.

S. G. BOSE MULLICK,
Secretary.

S. VAIDYANATH AIYAR & CO.
Chartered Accountants.

OF INDIA (PRIVATE) LIMITED

18th May, 1956 to 30th June, 1957

INTEREST & CLEARING BANK CHARGES Rs.	HANDLING AND OTHER CHARGES Rs.	CUSTOM DUTY Rs.	COMMISSION AND REMUNERATION Rs.	INSURANCE Rs.	TOTAL Rs.
3669·99	1042031·74	..	..	..	21715085·71
4104·79	10605·45	933808·43	33031·19C	..	17881114·55
..	..	..	..	..	237907·88
..	..	..	..	..	407014·37
..	..	..	..	..	7016700·00
78762·82	5049614·71*	..	1446481·58R.	29485·78	18659750·50
66359·96	2831815·16*	..	769517·39R.	50819·29	15042937·54
23513·58	31410·47	1143645·02	..	..	6188814·48
32·97	..	..	..	..	1570715·39
3701·37	0·19	..	..	..	5978055·31
28·00	2907·70	..	..	..	49133·07
17·56	..	..	..	..	936017·56
..	..	..	..	..	244360·07
..	..	..	..	..	5607677·03
10653·75	250·00	..	..	..	2423787·81
190754·79	8968635·42	2077453·45	33031·19C 2215998·97R.	80305·07	103959071·27

D. SANDILYA,
Managing Director.

K. B. LALL
Chairman.

THE STATE TRADING CORPORATION

Trading Account Creditor for the period

COMMODITY	SALES		ORES ON LOAN WITH SUNDRY PARTIES		SHORTAGES
	Quantity	Value			
		Rs.	Tons	Rs.	
Iron Ore	T. 422858·2	22705234·79	6534·14	189182·35	T. 235·6
Manganese Ore	T. 105978·12	18282333·72	..	..	..
Chrome Ore	T. 1526·10	273527·47	..	..	..
Handicrafts	Sundry items	430217·75	..	..	..
Shoes	Pairs 325350	7173075·00	..	..	..
Caustic Soda	T. 10993·2	7915037·08	..		T. 6·0
Soda Ash	T. 37491	14621562·00	..	..	T. 39·3
Raw Silk	lbs. 96566·90	3385019·69	..	..	..
Salt	M. Tons 53204	1666561·11	..	..	..
Coffee	T. 775	6102000·00	..	..	..
Woollen Fabrics	yds. 3711	47140·19	..	..	..
Gunny Bags	pcs. 600000	954750·00	..	..	..
Hemp	lbs. 397540	251773·14	..	..	
Ammonium Sulphate	T. 24733·9	5635856·37	..	..	..
Chilean Nitrate	T. 8504	2474753·00	..	..	..
	TOTAL	91858841·31		189182·35	

*After reducing the value for possible shortages.

NEW DELHI ;
14th November, 1957.

S. G. BOSE MULLICK,
Secretary.

S. VAIDYANATH AIYAR & CO.
Chartered Accountants.

OF INDIA (PRIVATE) LIMITED

from 18*th May*, 1956 *to* 30*th June*, 1957

Closing Stock			Goods in transit			Total
	Qty.	Value Rs.		Qty.	Value Rs.	
T.	30574·3	*951156·67	T.	861.10	31852.00	23877425.11
T.	4765·16	*598003·68	T.	343·17	45522.89	18925870.39
	..	..		..	..	273527.47
	..	..		..	..	430217.75
	..	..		..	..	7173075.00
T.	6092·0	3883727·92		6632.11	3364414.94	15263179.94
T.	4663·2	1785961·85		6749.15	1871956.39	18279410.24
lbs.	96467·89	1969596·14		45032.20	950441.19	6305057.02
	..	..		..	..	1606561.11
	..	..		..	..	6102000.00
	..	..		..	..	47140.19
	..	..		..	..	954750.00
	..	..		..	..	251773.14
	..	..		..	..	5635856.37
	..	..		..	..	2474753.00
		9188446·26			6264197·41	107500667·33

D. SANDILYA,
Managing Director.

K. B. LALL,
Chairman.

CEMENT

Statement of Assets and

FUNDS & LIABILITIES

	Rs.	Rs.
Surplus		
Surplus (indigenous Cement)	5,48,35,462·60	
Less Imported Cement subsidy	47,52,945·74	
	5,00,82,516·86	
Add interest on investment	1,21,972·34	5,02,04,489·20
Sundry Creditors		16,04,573·64
Other Liabilities		3,48,853·06
Contingent Liabilities		35,77,054·66
(Includes claims for Rs. 10,77,054·66 not acknowledged as debts and Rs. 25,00,000/- for sales tax liability which is being disputed).		
Total .		5,57,34,970·56

Note :—

CONTINGENT LIABILITIES

There are claims for Rs. 6,74,000.
These claims are being repudiated.

S. G. BOSE MULLICK,
Secretary.

AGENCY

Liabilities as at 30th June 1957.

PROPERTY & ASSETS

	Rs.	Rs.
STOCK IN TRADE :		
With Selling Agents		
12,124 tons indigenous cement	10,66,158·18	
313-10 cwt imported cement	28,385·37	
	10,94,543·55	
6438-10 cwt in transit	3,14,870·02	
		14,09,413·56
Sundry Debtors	2,15,83,472·09	
Accrued interest on short call deposits . . .	85,040·98	
		2,16,68,513·07
Loans and Advances		4,40,547·08
Deposits and Refunds		2,69,470·70
Claims Recoverable From Insurance Co. . . .		11,971·40
INVESTMENTS		
Short & Call Deposits with State Bank of India, New Delhi		2,20,00,000·00
CASH AT BANK		
With State Bank of India, New Delhi in Current Account		99,35,054·65
Total . . .		5,57,34,970·56

D. SANDILYA,
Managing Director.

K. B. LALL,
Chairman..

Examined and found correct in accordance with the Books of Account, returns from the selling agents and information supplied.

S. VAIDYANATH AIYAR & Co.,
Chartered Accountants.

CEMENT

Imported Cement—Import and Distribution Statement

To	Tons	Rs.
,, Cost of imported cement from 1-7-56 to 30-6-57	2,27,254	2,39,65,612·31
Import duty		15,28,432·96
Freight		10,37,689·11
Insurance		3,863·46
Landing charges		3,13,413·44
Clearing charges		3,39,720·89
Sales tax paid by Selling Agents		5,57,055·98
Stockist Commission		37,438·11
,, Bank charges		95,936·06
,, Other charges	28,391·11	
Less (Difference in Exchange)	863·58	
		27,527·53
,, Interest		13,118·50
,, Selling Agents Remuneration		5,30,866·67
Remuneration to State Trading Corporation for services @ 1¼% on turnover of Rs. 2,30,85,992·82.		2,88,574·91
	2,27,254	2,87,39,249·93

S. VAIDYANATH AIYAR & CO.,
Chartered Accountant.

S. G. BOSE MULLICK,
Secretary.

AGENCY

for the period ended 30*th June,* 1957

By	Tons	Rs.
,, Sale price of imported cement	2,20,502	2,30,85,992·82
,, Sale Tax collected by Selling Agents		5,57,055·98
,, Stock with Distributors (Certified by the Distributors and valued at cost) . .	31,310-10	28,385·37
,, Stock in transit	6,438-10	3,14,870·02
,, Imported Cement Subsidy (Excess of cost over the equalized sale price) . .		47,52,945·74
	2,27,254	2,87,39,249·93

D. SANDILYA,
Managing Director.

K. B. LALL,
Chairman.

CEMENT

Indigenous Cement Acquisition and Distribution

To	Tons	Rs.	Rs.
ACQUISITION COST			
(*i*) Acquisition of Cement Stoks held by Selling Agents on 30th June, 56 . .	468		
(*ii*) Acquisition of cement produced and railed from 1-7-56 to 30-6-57 . .	50,73,199		
	50,73,667		27,76,83,718·32
,, Excise Duty			3,43,89,640·72
,, Packing charges			6,31,21,368·57
,, Freight			7,68,40,243·52
CONTINGENCIES			
,, Bank Charges		2,810·24	
,, Overheads		9,456·12	
,, Legal expenses		865·00	13,131·36
,, Stockists Commission (allowed to stockists)			10,56,411·04
,, Consumer rebate (allowed to consumers) .			53,94,260·70
,, Sales Tax (paid by Selling Agents) .			80,87,560·19
,, Selling Agents remunerations . . .			85,13,025·56
,, Provisions for taxes			25,00,000·00
,, Remuneration to State Trading Corporation for service @ 1¼% on gross turnover .			65,44,005·68
,, Gross surplus to Cement a/c (Indigenous Cement)			1,48,35,462·60
		Total Rs. .	53,89,78,828·26

B. G. BOSE MULLICK,
Secretary.

S. VAIDYANATH AIYAR & CO.,
Chartered Accountant.

AGENCY

Statement for the period ended 30th June 1957

By	Tons	Rs.	Rs.
SALE PRICE			
,, Inland	50,48,837	52,13,02,992·40	
,, Export	12,706	22,17,462·00	
			52,35,20,454·40
,, Consumers rebate received from factories			52,48,245·82
,, Stockist Commission received from factories			10,56,409·67
,, Sales Tax (Collected by Selling) Agents			80,87,560·19
Stock with Selling Agents (Certified by the Selling Agents at cost) . . .	12,124		20,66,158·18
	50,73,667		
Total Rs. .			53,89,78,828·26

D. SANDILYA,
Managing Director.

K. B. LALL,
Chairman.

HINDUSTAN INSECTICIDES

Balance Sheet as

Capital and Liabilities		
Authorised Capital		
10,000 Ordinary Shares of Rs. 1,000/- each		1,00,00,000
Issued, Subscribed, Called and Paid-Up-Capital		
3,800 Ordinary Shares of Rs. 1,000 each fully paid up		38,00,000
Machinery Fund. As per last balance sheet being cost of machinery supplied by United Nations International Children Emergency Fund (Free of cost)	11,90,000	
Less credited to Plant & Machinery A/c (since the ownership has not so far been transferred either to the Government of India or the company)	11,90,000	Nil
Security Deposits From Contractors		6,205
Sundry Liabilities		
Due for expenses (including Rs. 150/- due to a Director)	98,351	
Due for goods supplied	1,36,694	
Due to staff	4	
Employees' Income tax payable	1,352	
Due to D.A.G.	3,17,913	
Employees' State Insurance payable	2,806	
Sales tax payable	11,701	5,68,821
Lease Money for UNICEF Plant Payable		1,88,417
Staff Provident Fund (Since deposited with a Scheduled Bank)		9,666
Profit and Loss Account		
Net profit as per P & L A/c annexed		2,976
Carried over	Rs.	45,76,085

PRIVATE LIMITED, NEW DELHI

at 31st March, 1956

Property and assets

Fixed Capital Expenditure			
As per details given in schedule annexed			15,83,257
Preliminary Expenses (As confirmed by the Government of India)			
As per last balance sheet		7,058	
Less 50% transferred proportionately to Plant and Machinery	2,538		
Office building	186		
Factory building	805	3,529	3,529
Security Deposits			
With Delhi State Electricity Board Delhi		8,816	
With Post Master, New Delhi		11	8,827
Stock and Stores in Hand (As per inventories prepared, value and certified by the Secretary)			
Raw materials at cost		1,51,206	
Finished goods, by-products and goods in process (At values as estimated by the Management)		10,12,735	11,63,941
General Stores and Spare Parts in Hand			
(As per inventories prepared, valued and certified by the Secretary)			
General stores at estimated cost		85,701	
Spare parts through UNICEF at estimated cost		33,034	
Packing material at cost		6,473	1,25,208
Stationery in Hand at Cost (As certified by the Secretary)			3,782
Expenses on Proposed Alwaye Plant (Including Rs.889/- paid as T. A., and Rs. 2,839/- as salary to the Managing Director)			5,049
Medicines in Hand at Cost (As certified by the Secretary)			176
Deposit for Telephones (Under "Own Your Own Telephone" Scheme)			
As per last balance sheet		8,000	
Paid for new connections during the Year		4,000	
		12,000	
Less written off upto 31-3-55	400		
Less written off during the Year	600	1,000	11,000
Prepaid Expenses			2,049
Claims Lodged			59
Interest Accrued but not due			882
		Carried over Rs.	**29,07,759**

HINDUSTAN INSECTICIDES

Balance Sheet

Capital and Liabilities

Brought forward Rs.	45,76,085
TOTAL Rs.	45,76,085

Sd. G. RAMAMOORTY,
Accountant.

Sd: ATAM CHAND,
Accounts Officer-cum-*Secretary*

NOTE:

1. Provision and payment for the lease payable on the land taken on lease from Delhi Cloth and General Mills Ltd. have been made on the advice from the Government of India, Ministry of Production, while the lease is still under examination.
2. Certain spare parts have been purchased during the year through the UNICEF for which invoices of suppliers are awaited. Amounts as intimated by the UNICEF have been provided for, in the absence of vouchers of suppliers the consumption of material during the year out of the same has been estimated at 50 per cent and balance carried forward. The difference, if any, might have a bearing on accounts.
3. 50 per cent of the total expenses during construction period amounting to Rs. 3,31,845 and 50 per cent of the total preliminary expenses amounting to Rs. 7,058 have been capitalised by allocating to the office building, factory building and plant and machinery in proportion to their W. D. V. as on 1-4-1955. The balance of 50 per-cent of both these above items is to be written off in three subsequent years in three equal parts.
4. Directors fee has not been provided for the Managing Director.
5. For lease money provided on the UNICEF plant, please refer to Note (3) at the foot of the Schedule of Fixed Capital Expenditure.
6. The figures have been taken nearest to a rupee in the balance sheet, manufacturing trading and profit and loss accounts and schedule of Fixed Capital Expenditure.
7. Included in the sum of Rs. 1,17,853 /- shown as 'Advances for construction of building to C.P.W.D.' under the heading Book Debts is an amount of Rs. 1,477/14/- on account of the work done by the Horticulture Department of the C.P.W.D. before 31-3-1956 for which the advice from the Department has been received only very recently and hence the necessary adjustments have been left over for adjustment in the next year.

PRIVATE LIMITED, NEW DELHI.

at 31st March, 1956

Property and Assets

Brought forward	Rs.		29,07,759
Book Debts (Considered good)			
Advances to Suppliers	16,315		
Advances to staff	198		
Advances for expenses	1,583		
Advances for construction of building to C.P.W.D.	1,17,853		
Sundry debtors	9,82,784		
Due from Managing Director	6		11,18,739
Money at Call Deposit with Bank of Baroda Ltd.			3,00,000
Cash & Bank Balances			
With State Bank of India, New Delhi in C/D A/C	189		
With Bank of Baroda Ltd. New Delhi in C/D A/C	76,044		
Postage Imprest	406		
Cash in hand	7,024		83,663
Expenses during Construction Period			
As per last balance sheet		3,31,845	
Less 50 % transferred proportionately to :			
Plant & Machinery	1,19,348		
Factory building	37,846		
Office building	8,727	1,65,921	1,65,924
		Total Rs.	45,76,085

Sd. S. S. JAGGIA,
Managing Director.

Sd. S. JAGANNATHAN,
Chairman.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined under the Indian Companies Act, 1913 the above Balance Sheet as at 31-3-1956 of Messrs Hindustan Insecticides Private Limited, New Delhi, together with the enclosed Manufacturing, Trading and Profit & Loss Accounts for the year ending on that date with the books and vouchers of the Company, and

1. have obtained all the information and explanations that we required ; and
2. in our opinion such Balance Sheet and Manufacturing, Trading and Profit & Loss Accounts have been drawn up in conformity with the law ; and
3. the balance sheet exhibits a true and correct view of the state of affairs of the company according to the best of our information and explanations given to us and as shown by the books of the company, subject to the notes on the face of Balance Sheet and Schedule of Capital Expenditure; and
4. this Balance Sheet and the enclosed Manufacturing, Trading and Profit & Loss Accounts do not take into account the requirements of the companies Act 1956 now in force; and
5. in our opinion the books of accounts have been kept as required by Section 130 of the Indian Companies Act, 1913-36

New Delhi,
November 23, 1956.

Sd. S. P. CHOPRA & Co.,
23-11-56

HINDUSTAN INSECTICIDES

Schedule of Capital

1	2	3	4	5
Name of the Asset	Cost as on 1-4-1955	50% of "expenses during construction" and 50% of preliminary expenses capitalised Additions & expenses during the year	Total cost as on 31-3-1956 (2 plus 3)	Sold. W/o or adjusted during the year
1. Leasehold Land (Note No. 1)	2,08,377	—	2,08,377	—
2. Factory building on leasehold land (Note No. 2)	5,16,247	1,74,104	6,90,351	—
3. Office building on lease hold land (Note No. 2)	1,16,157	11,107	1,27,264	—
4. Plant & Machinery (Note No. 3)	15,57,948	2,41,683	17,99,631	11,90,000
5. Furniture & Fixtures	19,252	3,193	22,445	115
6. Typewriters & Duplicators	7,309	1,724	9,033	—
7. Office Equipments	8,500	15,487	23,987	—
8. Laboratory Equipments	3,345	7,216	10,561	88
9. Fire Safety & First Aid Equipments	10,883	11,976	22,859	120
10. Books & Library	1,856	1,469	3,325	—
11. Cycles	408	—	408	—
12. Car & Station wagon	30,783	—	30,783	—
13. Truck	17,599	50	17,649	—
14. Troleys	—	1,115	1,115	—
15. Crockery & Utensils	887	114	1,001	116
TOTAL Rs.	24,99,551	4,69,238	29,68,789	11,90,439

NOTES:

1. This represents the premium amount paid to Delhi Improvement Trust for the acquisition of land, the title deeds for which are still under execution.

2. The additions of Rs. 1,74,104-0-0 and Rs. 11,107-0-0 to factory building and office building respectively include Rs. 1,30,140-8-0 and Rs. 1,434-0-0 towards the cost of construction work done by C.P.W.D. including Rs. 80,588-0-0 on account of work done in the earlier year on which depreciation amounting to Rs. 4,029-6-0 for the earlier year has also been charged in the Profit & Loss Account of the year ending 31-3-56.

Sd. G. RAMAMOORTHY,
Accountant.

Sd. ATAM CHAND,
Accounts Officer-cum-Secretary.

New Delhi,
November 23, 1956.

PRIVATE LIMITED., NEW DELHI.

Expenditure as at 31-3-1956

6	7	8	9	10	11	12
Balance cost as on 31-3-56 (4 minus 5)	Depreciation W/o upto 31-3-55	Depreciation for the year ended 31-3-56	Depreciation adjusted on items in col. 5	Rate of Depreciation	Total Depreciation W/o upto 31-3-56 (8 plus 7 minus 9)	Balance W.D.V. as on 31-3-56 (6 minus 11)
2,08,377	..	..	..	..	..	2,08,377
6,90,351	25,812	38,547	..	5%	64,359	6,25,992
1,27,264	2,904	5,090	..	4%	7,994	1,19,270
6,09,631	12,983	91,445	9,917	15%	94,511	5,15,120
22,330	1,155	1,340	7	6%	2,488	19,842
9,033	1,096	1,356	..	15%	2,452	6,581
23,987	850	2,399	..	10%	3,249	20,738
10,473	334	1,047	8	10%	1,373	9,100
22,739	1,089	2,274	12	10%	3,351	19,388
3,325	185	332	..	10%	517	2,808
408	82	82	..	20%	164	244
30,783	3,458	6,156	..	20%	9,614	21,169
17,649	1,019	3,530	..	20%	4,549	13,100
1,115	..	223	..	20%	223	892
885	133	133	17	15%	249	636
17,78,350	51,100	1,53,954	9,961		1,95,093	15,83,257

3. The cost of plant and machinery as on 31-3-55 included plant and machinery of the value of Rs. 11,90,000/- which were supplied by UNICEF to the Government of India, who in turn handed it over to the company. Since the title of the same has neither been transferred to the Government of India nor to the company so far the entry in corporating the cost thereof has been reversed. The depreciation written off upto 31-3-55 on the same has also been written back on the advice of the Government of India and rent on the same has been provided at 10% P.A. (Rs. 9,916-10-9) on the value of Rs. 11,90,000/- for the month of March 1955 and at 15% P.A. (Rs. 1,78,500/-) on the value for the year ending 31-3-56.

Sd./- S.S. JAGGIA,
Managing Director.

Sd. S. JAGANNATHAN,
Chairman.

Auditors' Report to the Shareholders

As per certificate appended to the Balance Sheet.

Sd./- S.P. Chopra & Co.

23-11-1956

Chartered Accountants.

HINDUSTAN INSECTICIDES

Manufacturing, Trading and Profit and Loss

Expenditure

To opening stock of raw material		35,448
,, purchases & expenses thereon		
,, Raw material	10,01,920	
,, Packing material	87,747	10,89,667
To General store & spare parts consumed		1,00,169
,, Steam & water charges		53,668
,, Electric & lighting charges		62,632
,, Carriage & freight inward		10,328
,, Factory & miscellaneous expenses		1,328
,, Expenses of UNTAA staff		30,737
,, Repairs & maintenance of factory building		747
,, Salary & wages including allowances		2,80,671
,, Remuneration to the Managing Director (including house rent, conveyance, entertainment allowance and accident insurance)		36,441
,, Rent rate and taxes (including Rs. 2,750 of previous year)		8,689
,, Repairs & maintenance of plant & machinery		38,520
,, Printing & stationery		6,885
,, Postage & telegrams		1,955
,, Telephones		5,015
,, Travelling & conveyance (including Rs. 681 of previous year)		2,899
,, Advertisement		1,290
,, Miscellaneous expenses		2,715
,, Entertainment expenses		1,086
,, Subscription & periodicals		940
,, Staff welfare expenses		871
,, Medical Aid		289
,, Insurance (including Rs. 1,096/- of previous year)		10,700
,, Propaganda & Publicity		3,863
,, Cartage & Cooliage outward		1,522
,, Liveries		1,147
,, Bank charges		38
,, Contribution to Provident Fund (including Rs. 488/- for previous year)		4,899
,, Contribution for Employees' State Insurance		3,845
,, Contribution for C.H.S.		78
,, Directors' fee		150
,, Audit fee		1,000
,, Repairs & maintenance of vehicles		7,902
,, Repairs to building		80
,, General repairs		556
,, Breakage and shortage W/o		227
,, Lease money for UNICEF plant (including Rs. 9,917 for the month of March 1955)		1,88,417
,, Depreciation W/o		1,53,954
,, Net Profit c/o to Balance Sheet		2,976
TOTAL Rs.		21,54,404

Sd. G. RAMAMOORTHY,
Accountant.

Sd./- ATAM CHAND,
Accounts officer-cum-Secretary.

NEW DELHI;
November 23, 1956.

PRIVATE LIMTED., NEW DELHI

Account for the year ending 31st March, 1956

Income

By	Sales	9,65,912	
"	incidental charges on sales	5,031	9,70,943
"	Closing stock of :		
	Finished goods	10,12,735	
	Raw material	1,51,206	
	Packing material	6,473	11,70,414
"	Interest received		2,707
"	Miscellaneous income		223
"	Directors fee of previous year written back		200
"	Depreciation written back on UNICEF plant		9,917
	TOTAL Rs.		21,54,404

Sd /- S.S. JAGGIA,
Managing Director.

Sd./- S. JAGANNATHAN
Chairman.

Auditors' Report to the Shareholders

As per certificate appended to the balance sheet

Sd./- S. P. CHOPRA & CO.
Chartered Accountants 23-11-56.

HINDUSTAN ANTIBIOTICS

Balance Sheet as at

Previous year	CAPITAL AND LIABILITIES			
	I. CAPITAL :			
	Authorised			
4,00,00,000	40,000 Ordinary Shares of Rs. 1,000/- each			4,00,00 000 0 0
	Subscribed			
	23,975 Ordinary Shares of Rs. 1,000/- each fully paid up . . .			
1,00,00,000	(Of the above 9,175 Shares are allotted as fully paid up pursuant to contracts without payments being received in aash) . . .			2,39,75,000 0 0
	II. CAPITAL SUSPENSE :			
	I. Provisional value of Asse s taken over from Government of India		51,03,044 7 2	
	Less : Applied towards allotment of Shares		51,03,000 0 0	
			44 7 2	
	2. Liability to UNICEF for Machinery supplied :			
	Balance as per last Balance Sheet . .	40,72,725 8 0		
	Add : (*a*) Adjustment in respect of previous year	97,320 15 0		
	(*b*) Supplies during the year	10,136 2 0		
		41,80,182 9 0		
	Less : Applied towards allotment of shares	40,72,000 0 0	1,08,182 9 0	
94,75,769				1,08,227 0 2
	III. UNSECURED LOAN :			
70,00,000	At 4½% from Government of India			70,00,000 0 0
	IV. CURRENT LIABILITIES :			
18,83,978	Dundry Creditors . . .		17,33,121 12 1	
57,822	Interest accrued and accruing on Unsecured Loan . . .		3,72,821 14 0	
19,14,800				21,05,943 10 1
2,84,17,569	TOTAL			Rs. 3,31,89,170 10 3

As per our Report attached.

A.F. FERGUSON & Co.
Chartered Accountants

M. GOPALKRISHNAN.
Accounts Officer.

PRIVATE LIMITED, PIMPRI

31st *March*, 1957

Previous year	PROPERTY AND ASSETS			
	I. FIXED CAPITAL EXPENDITURE			
1,41,42,542	(as per Schedule annexed)			1,47,13,032 15 2
	II. CURRENT ASSETS :			
5,03,400	General Stores and Spare Parts .		9,89,853 7 10	
11,234	Loose Tools		19,891 8 4	
	Stock-in-Trade (at cost of market value whichever is lower, as certified by the Managing Director).			
6,87,215	Raw Materials . .	35,68,047 8 4		
3,27,153	Finished Stock .	32,22,540 5 6		
1,75,290	Rejects and Residues .	3,52,393 5 9		
23,03,016	Work-in-Progress .	28,88,816 15 3		
34,92,674			1,00,31,798 2 10	
8,96,069	Sundry Debtors (Unsecured, considered good		13,25,299 6 1	
49,03,377				1,23,66,842 9 1
	III. LOANS AND ADVANCES: (Unsecured, considered good)			
4,02,995	Sundry Advances, claims recoverable and prepaid expenses . . .		9,42,581 0 6	
8,23,902	Deposits with Government and other bodies		11,87,250 14 11	
36,589	Sundry Debtors over three months old		61,415 6 4	
12,63,486				21,91,247 5 9
	IV. CASH AND BANK BALANCES:			
1,882	On hand		5,740 3 10	
63,58,334	On Current Account . . .		7,21,967 7 1	
..	On Call Deposits		15,00,000 0 0	
63,60,216				22,27,707 10 11
	V. MISCELLANEOUS EXPENDITURE AND LOSSES:			
7,38,493	Deferred: Revenue Expenditure being the amounts taken over from Government Penicillin Factory as per last Balance Sheet . . .		7,38,492 8 6	
	Profit and Loss Account			
2,06,555	Balance brought forward . . .	10,09,454 10 0		
	Less:			
8,02,900 (Loss)	Profit for the year .	57,607 1 2	9,51,847 8 10	
10,09,455				16,90,340 1 4
2,84,17,569	TOTAL			3,31,89,170 10 3

J. B. DOGRA, Lt. Col.
Managing Director.

A. NAGARAJA RAO *Chairman*
P. M. NABAR *Director*
S. K. BORKAR *Director*
H. L. GUHA *Director*
P. M. WAGLE *Director*

HINDUSTAN ANTIBIOTICS

SCHEDULE OF

Annexed to and Forming Part of the

Description	TOTAL COST UPTO 31-3-1955	TOTAL COST UPTO 31-3-1956	ADDITIONS DURING 1955-56	ADDITIONS DURING 1956-57
1. Land . . .	1,08,471 12 10	2,32,175 13 10	1,23,704 1 0	7,369 1 6
2. Non-Residential Factory Buildings .	30,63,816 6 7	35,84,301 0 6	5,20,484 9 11	1,71,466 10 5
3. Residential Building . .	10,70,569 10 9	27,45,161 3 10	16,74,591 9 1	7,32,236 2 4
4. Development of Site . . .	36,137 1 9	64,657 10 8	28,520 8 11	5,375 0 8
5. Lawns . .	20,043 2 0	24,997 4 4	4,954 2 4	..
6. Roads . .	1,24,753 9 6	2,95,410 5 6	1,70,656 12 0	67,382 11 0
7. Electrial Installation . . .	9,43,884 1 0	10,95,373 0 4	1,51,488 15 4	1,50,315 0 3
8. Railway Siding .	18,908 11 0	1,87,962 0 0	1,69,053 5 0	712 12 0
9. Plant and Machinery . . .	48,20,373 8 3	62,29,588 7 4	14,15,145 15 1	3,47,296 6 5
10. Laboratory Equipment . .	3,21,517 3 10	3,61,934 5 2	40,417 1 4	76,663 4 0
11. Motor Vehicles .	20,466 3 0	66,619 15 0	46,153 12 0	59,469 0 0
12. Furniture Fixture and Office Equipment, etc. . .	2,25,862 11 1	4,13,776 5 5	1,87,942 9 4	1,33,945 6 6
13. Library Books .	1,04,122 2 5	1,29,299 2 5	25,177 0 0	9,241 9 0
	1,08,78,926 4 0	154,31,256 10 4	45,58,290 5 4	17,61,473 0 1

NOTE :

(1) The Building at Bombay stands on land belonging to the Government of Bombay who have the option to buy at a figure to arrived at by 'amortizing the cost of the building over a period of ten years".

(2) The value of machinery supplied by U.N.I.C.E.F. is subject to confirmation by the Authorities concerned.

(3) All figures are subject to adjustment for interest on capital employed which the Government might decide to charge.

PRIVATE LIMITED, PIMPRI

CAPITAL EXPENDITURE

Balance Sheet as at 31st March, 1957

DEDUCTIONS DURING		TOTAL COST UPTO		DEPRECIATION UPTO	
1955-56	1956-57	31-3-1956	31-3-1957	31-3-1956	31-3-1957
..	..	2,32,175 13 10	2,39,544 15 4	..	..
..	..	35,84,301 0 6	37,55,767 10 11	1,82,681 1 1	3,69,827 13 10
..	..	27,45,161 3 10	34,77,397 6 2	51,624 3 6	1,52,547 5 2
..	..	64,657 10 8	70,032 11 4	..	..
..	..	24,997 4 4	24,997 4 4	..	..
..	..	2,95,410 5 6	3,62,793 0 6	13,675 5 6	35,272 0 6
..	..	10,95,373 0 4	12,45,688 0 7	94,642 13 5	2,12,383 6 0
..	..	1,87,962 0 0	1,88,674 12 0	..	13,199 12 0
5,931 0 0	904 1 9	62,29,588 7 4	65,75,980 12 0	8,00,732 8 1	13,88,572 2 11
..	29 12 0	3,61,934 5 2	4,38,567 13 2	87,890 5 5	1,79,998 9 2
..	..	66,619 15 0	1,26,088 15 0	15,726 15 0	38,881 5 0
28 15 0	2,606 10 0	4,13,776 5 5	5,45,115 1 11	35,276 3 5	72,081 12 11
..	..	1,29,299 2 5	1,38,540 11 5	6,465 0 0	13,392 0 0
5,959 15 0	3,540 7 9	1,54,31,256 10 4	1,71,89,189 2 8	12,88,714 7 5	24,76,156 3 6
	Less : Depreciation	12,88,714 7 5	24,76,156 3 6		
	As per Balance Sheet	1,41,42,542 2 11	1,47,13,032 15 2		

A. F. FERGUSON & CO.
Chartered Accountants.

M. GOPALKRISHNAN,
Accounts Officer.

A. NAGARAJA RAO — *Chairman.*
P. M. NABAR — *Director.*
S. K. BORKAR — *Director.*
H. L. GUHA — *Director*
P. M. WAGLE — *Director.*

J. R. DOGRA, Lt Col.
Managing Director.

HINDUSTAN ANTIBIOTICS

Profit and Loss Account for the

Previous year			
	Opening Stock :		
..	1. Finished Stock	3,27,152 10 11	
64,095	2. Rejects and Residues	1,75,289 7 3	
16,728	3. Work in Progress	23,03,016 6 0	
80,823			28,05,458 8 2
8,99,451	Purchases		3,31,526 15 0
25,56,155	Consumption of raw materials (as per Schedule A)		42,22,811 1 8
13,207	Consumption of Stores and Spare Parts	16,12,534 10 1	
	Less: Debited to other heads	14,55,701 14 11	
			1,56,832 11 2
2,78,542	Power and Fuel		6,55,090 3 10
10,75,059	Salaries and Wages	15,21,303 4 5	
(—)87,175	*Less* : Debited to other heads	5,23,976 5 0	
9,87,884			9,97,326 15 5
16,073	Company's contribution to Provident Fund		32,788 12 0
1,913	Employees State Insurance Contribution		2,282 0 0
3,66,150	Factory Running and Overhead Expenses		6,68,017 9 1
58,447	Repairs and Maintenance of Plant and Machinery		1,56,146 9 9
11,284	Repairs and Maintenance of Buildings		37,306 12 8
2,261	Repairs and Maintenance of Electric Installations		62,903 12 3
1,15,738	Office and Establishment Expenses		2,07,886 13 2
7,460	Workmen and Staff Welfare Expenses		29,947 1 0
150	Directors' fees		50 0 0
34,300	Managing Director's remuneration		34,299 13 0
3,280	Directors' Travelling Expenses		3,263 15 0
52,634	Freight on Sales		88,452 2 6
57,266	Sundry Expenses		48,491 4 11
57,822	Interest on unsecured loan		3,15,000 0 0
12,82,727	Depreciation		11,87,730 2 1
..	Net Profit for the year, carried to Balance Sheet		57,607 1 2
68,83,567	TOTAL		1,21,01,220 3 10

As per our Report attached.

A. F. FERGUSON & Co.
Chartered Accountants.

M. GOPALKRISHNAN,
Accounts Officer.

PRIVATE LIMITED, PIMPRI

Year Ended 31st *March,* 1957

Previous year				
	Sales.			
34,49,416	1. Penicillin	57,80,009 7 9		
2,47,862	*Less* : Discount allowed . . .	3,74,018 13 0		
32,01,554		54,05,990 10 9		
241	2. Miscellaneous	2,522 15 3		
32,01,795			54,08,513 10 0	
	Stock of Penicillin.			
3,27,153	1. Finished Stock . . .	32,22,540 5 6		
1,75,290	2. Rejects and Residues . . .	3,52,393 5 9		
23,03,016	3. Work in Progress . . .	28,88,816 15 3		
28,05,459			64,63,750 10 6	
7,664	Electricity and Water Charges . .		12,897 5 3	
29,341	Rent from Land and Buildings . .		61,849 9 0	
10,363	Miscellaneous Receipts . . .		45,777 14 7	
	Interest :			
	On Current Account . . .	4,639 11 0		
	On Bank Call Deposits . . .	86,421 8 0		
	On Advance to Staff . . .	63 5 0		
26,046			91,124 8 0	
	Sales Tax Provision written back .		17,306 10 6	
8,02,899	Balance carried down . . .		....	
	NOTE: The charge for depreciation for the year has been reduced by Rs. 2,45,739 due to a change in the method of providing for depreciation which does not take into account depreciation to the extent of the extra shift allowance.			
68,83,567	TOTAL . . .	Rs.	1,21,01,220 3 10	

J. R. DOGRA, Lt. Col.
Managing Director.

4th December, 1957.

A. NAGARAJA RAO *Chairman.*
P. M. NABAR *Director.*
S. K. BORKAR *Director.*
H. L. GUHA *Director.*
P. M. WAGLE *Director.*

Schedule forming part of the Profit and Loss Account

CONSUMPTION OF RAW MATERIALS

(Schedule "A")

Previous Year					
9,14,558	Opening Stock as on 1-4-1956	10,07,474	14	9
26,49,071	Purchases during the year	71,93,109	7	4
35,63,629		82,00,584	6	1
10,07,474	Less : Closing Stock as on 31-3-1957	35,65,175	12	2
25,56,155		46,35,408	10	0
..	Less : Debited to other Heads	4,12,597	8	4
25,56,155	Rs.	42,22,811	1	8

* * * *

Comments upon or supplement to the Audit Report by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 required to be placed before the Annual General Meeting under Section 619(5).

In exercise of the powers conferred on the Comptroller and Auditor General of India under Section 619 of the Companies Act, 1956, the Director of Commercial Audit has intimated in his letter No. 1293-Rep.-1/54-57 dated the 18th December 1957 as under :

"I am to state that this office has no comments upon or supplement to the Auditors' Report under sub-section (4) of section 619 of the Companies Act, 1956, on the accounts of the Hindustan Antibiotics (P) Ltd., for the year ended on 31st March, 1957".

NANGAL FERTILIZERS AND CHEMICALS

Balance Sheet

LIABILITIES	Rs.	Rs.
SHARE CAPITAL		
Authorised :		
3,00,000 Equity Shares of Rs. 1,000/- each		30,00,00,000
Subscribed & Paid Up :		
12,884 Equity shares of Rs. 1,000/- each fully paid up . .		1,28,84,000
Government of India		
[Out of this amount 5,000 Equity Shares of Rs. 1,000/- each (Rs. 50,00,000/-) have been allotted during the month of April 1957 and balance amount of Rs. 3,37,147/- represents the expenditure incurred by Govt. of India prior to incorporation of the Company and pending adjustment.]		53,37,147
Current Liabilities & Provisions		
For goods supplied (including Rs. 3,42,510/- on account of estimated liability) .	3,59,001	
Salaries & wages payable	51,816	
For other expenses payable (including Rs. 94,700/- on account of estimated liability) . .	1,23,585	
Security & Earnest Money Deposits (Bearing no interest) . .	3,31,450	
Staff Income tax payable	8,585	
Due to Employees' Provident Fund	29,068	
Other liabilities	990	9,04,495
Carried over .		1,01,25,642

(PRIVATE) LIMITED, NANGAL

As at 31st March, 1957

ASSETS

	Rs.	Rs.
Fixed Assets		
Land at Cost		21,29,512
Township & Factory Construction at Cost As per Schedule I		10,32,922
Furniture at Cost	39,330	
Less depreciation for the period	1,268	38,062
Office Appliances & Equipment at Cost	45,341	
Less depreciation for the period	4,534	40,807
Construction and other Miscellaneous Equipments at Cost	2,09,062	
Less depreciation for the period	5,182	2,03,880
Motor Cars, Vehicles & Cycles at Cost	4,19,662	
Less depreciation for the period	46,581	3,73,081
Library Books at Cost	6,931	
Less depreciation for the period	481	6,450
Current Assets		
Stores in hand at cost as per inventories valued and certified by the Chief Accounts Officer		18,77,090
Loans and Advances		
Against purchase of materials and expenses	25,02,104	
Deposited with Railway for siding	5,85,430	
Advances to staff	40,212	
Security deposits	2,072	
Prepaid expenses	2,825	
Other advances	1,015	31,33,658
Claims		
Pending confirmation by authorities concerned		
From Iron & Steel Controller	89,779	
From Railways	2,440	92,219
Carried over		89,27,681

NANGAL FERTILIZERS AND CHEMICALS

Balance Sheet

	Rs.	Rs.
Brought forward		1,91,25,642
TOTAL		1,91,25,642

NOTES :

1. A sum of Rs. 29,068 due to Employees' Provident Fund has since been paid to the Trustees in terms of the Trust Deed dated the 23rd March, 1957. Amounts due on account of Provident Fund were, however, not separately invested or deposited in terms of Section 418 of the Companies Act, 1956, till they were paid to the Trustees.

2. As the Accounts relate to the construction period, there might be some liabilities, which may become payable and which have not been provided for. In respect of Project report fees and fixed engineering fees, only the amounts paid have been brought into account and no provision has been made for amounts outstanding because they represent a contingent liability.

3. As the assets were brought into use at different dates the period of accounts, depreciation has been charged on the basis of estimated period in use.

4. Advances for purchases of materials and expenses amounting to Rs. 25,02,104/- include the value of goods in transit or goods to be despatched.

5. No physical verification of assets was made up till the date of the Balance Sheet.

(PRIVATE) LIMITED, NANGAL

As at 31st March, 1957—concld.

	Rs.	Rs.
Brought forward . .		89,27,681
EXPENSES ON PROPOSED BOMBAY PROJECT		1,881
CASH & BANK BALANCES		
Cash in hand	18,400	
With Bankers in Current Accounts	79,28,929	
With Bankers in Deposit Accounts (Security Deposit of Contractors) . . .	29,450	79,76,79
MISCELLANEOUS EXPENSES & LOSSES		
Preliminary expenses (including Rs. 1,136—spent by Government of India)		1,731
CONSTRUCTION PERIOD EXPENSES PENDING ALLOCATION AS PER SCHEDULE II		22,17,570
TOTAL		1,91,25,652

(Sd.) C. K. NAIR, *Chief Accounts Officer*

(Sd.) K. L. GHEI *Director*
(Sd.) H. J. BHABHA ,,
(Sd.) N. SUBRAHMANYAM ,,

(Sd.) B. C. MUKHERJI, *Chairman & Managing Director*

NANGAL FERTILIZERS AND CHEMICALS

Statement of Miscellaneous Expenditure

EXPENDITURE	Rs.	Rs.
To Pre-incorporation expenses		1,02,766
To Project Report Fees		7,44,555
To fixed engineering fees		4,76,924
To Staff salaries & wages	5,25,214	
To Leave & Pension Contribution	4,503	5,29,717
To Provident Fund Contribution		541
To Petty repairs, etc.		444
To Insurance Premium		38
To rent, rates & taxes (including Rs. 40,147/- rent)		48,700
To workmen and staff welfare :		
Clothing & Uniforms	6,005	
Staff Medical Aid	1,554	7,559
To printing, stationery, postage, telegrams and telephones		45,518
To audit fee		1,000
To legal expenses		155
To Directors' fees		1,000
To Directors' travelling expenses		3,428
To Remuneration of Managing Director :		
Salaries	39,783	
Leave & Pension contribution	11,469	51,252
To entertainment expenditure paid to the Managing Director		2,842
To travelling Expenses (including Rs. 1,358/- to the Managing Director)		65,821
To Advertisement		53,499
*To Running and Maintenance of staff cars	15,630	
*To Running & Maintenance of trucks	12,470	28,100
To other miscellaneous expenses		10,400
To depreciation	57,504	
To loss on revaluation of assets	542	58,046
TOTAL		22,37,180

*Salaries of staff have been charged to Salaries & Wages Account.

AUDITOR'S REPORT TO THE SHAREHOLDERS.
As per certificate appended to the Balance Sheet.

NEW DELHI;
Dated 1st August, 1957.

(Sd.) S. P. CHOPRA & CO,
Chartered Accountant.

(PRIVATE) LIMITED, NANGAL

for the period ending 31*st March*, 1957

	Rs.
INCOME	
By hire of vehicles	5,743
By rents realised	9,034
By other miscellaneous income	4,833
By Net expenditure carried to Balance Sheet	22,17,570
TOTAL	22,37,180

(Sd.) C. K. NAIR,
Chief Accounts Officer.

(Sd.) K. L. GHEI *Director.*
(Sd.) H. J. BHABHA ,, (Sd.) B. C. MUKHERJI
(Sd.) N. SUBRAHMANYAM ,, *Chairman & Managing Director.*

NANGAL FERTILIZERS AND CHEMICALS

Statement of Expenses on Township and Factory

	Rs.
EXPENDITURE ON THE FOLLOWING WORKS IN PROGRESS	
To land Survey, Demarcation, Testing and Levelling	4,810
To Township Lay-out	32,115
To Brick burning	3,17,446
To Field Hostel	1,79,979
To Construction Colony	3,40,827
To Water Supply	41,021
To Electric Supply	25,089
To Twin Nissen Huts	62,408
To Romney Hut	13,919
To other Miscellaneous constructions	15,308
TOTAL	10,32,922

NEW DELHI;
Dated 1ST August 1 7

AUDITOR'S REPORT TO THE SHAREHOLDERS
As per certificate appended to the Balance Sheet

(Sd.) S. P. CHOPRA & CO.,
Chartered Accountants.

(PRIVATE) LIMITED, NANGAL

Construction for the period ending 31st March, 1957

	Rs.
By net expenditure carried to Balance Sheet	10,32,922
TOTAL	10,32,922

(Sd.) C.K. NAIR,
Chief Accounts Officer.

(Sd.) K. L. GHEI *Director.*
(Sd.) H. J. BHABHA ,,
(Sd.) N. SUBRAHMANYAM ,,

(Sd.) B. C. MUKHERJI, *Chairman & Managing Director.*

BALANCE SHEET OF THE NATIONAL INDUSTRIAL DEVELOPMENT

S. Vaidyanath Aiyar & Co. Chartered Accountants.

As At 31-12-1956	LIABILITIES		Rs. A. P.	Rs. A. P.
	Share Capital			
100,00,000	Authorised 100,000 Ordinary Shares of Rs. 100 each			1,00,00,000 0 0
10,00,000	Subscribed 10,000 Ordinary Shares of Rs. 100 each fully paid . .			10,00,000 0 0
	Unsecured Loans			
..	From the Government of India . .			18,07,235 0 0
10,815	*Current Liabilities*			
..	Sundry Creditors . . .		1,35,084 5 6	
	Interest Accrued and Accruing on Unsecured Loans . . .		8,689 9 0	
	Unspent Balance out of the Grant received in respect of the following projects:			
	Aluminium . .	29,973 11 0		
	Pulp and Newsprint : Italian Team . .	85 7 6		
	Despatch of Raw Materials to Snia Vis-cosa	37,174 10 0	37,260 1 6	
	Heavy Machinery			
4,472	(Soviet Team) .	39,420 11 6	1,06,654 8 0	2,50,428 6 6
(Advance)				
	Carried Over			30,57,663 6 6

NOTE: No provision has been made in the above accounts in respect of the following expenses:

(1) Income tax liability, if any, on certain payments made to foreign firms engaged for different projects.

(2) Transport charges payable to Sindri Fertilizers and Chittaranjan Locomotive workshop and Bed Charges for the Journey from Allahabad to Delhi of Soviet Experts connected with Heavy Machinery project as the relative bills have not been received.

CORPORATION PRIVATE LTD., NEW DELHI AS AT 31ST DECEMBER, 1956.

As at 31-12-1956	ASSETS		Rs. A. p.	Rs. A. p.
	Fixed Assets			
	Office Equipment			
	Delhi: Purchases during the year—At cost		4,344 0 0	
	Less: Depreciation for the year		131 0 0	
			4,213 0 0	
	Calcutta: Purchases during the year—At cost	2,899 14 0		
	Less: Depreciation for the year	36 14 0	2,863 0 0	7,076 0 0
	Furniture			
	Delhi: Purchases during the year—At cost	746 10 0		
	Less: Depreciation for the year	34 10 0	712 0	
	Calcutta: Purchases during the year—At cost	1,028 9 0		
	Less: Depreciation for the year	25 9 0	1,003 0 0	1,715 0 0
	Motor Car			
	Purchased during the Year: At cost		9,728 5 0	
	Less: Depreciation for the year		16 5 0	9,712 0 0
	Library			
	Purchase during the year: At cost		35 2 0	
	Less: Depreciation for the year		1 2 0	34 0 0
	Investments: At Cost			
6,63,199	2½% Loan 1961 for Rs. 6,00,000 (Market Value Rs.5,59,500)		5,63,199 13 0	
4,598	Interest Accrued on Investments		4,597 10 0	5,67,797 7 0
	Current Assets			
	Sundry Debtors—unsecured—considered good			
	Due from the Government of India			
10,280	(For expenses incurred)		1,00,577 1 6	
..	Due from the Nahan Foundry Private Ltd. (A company under the same management)		188 6 3	1,00,065 7 0
	Carried Over			6,87,099 14 0

BALANCE SHEET OF THE NATIONAL INDUSTRIAL DEPARTMENT

As at	LIABILITIES—*contd.*	Rs.	A.	P.	Rs.	A.	P.
31-12-1956	Brought Forward .				30,57,663	6	6
	(3) Expenses incurred by the U. K. Team of Experts of Heavy Machinery as the relative Bills have not been received						
	(4) Certain Raw Materials were despatched to Snia Viscosa for experiment purposes. The cost of the raw materials has not been taken into account as the relative bills have not yet been received . . .						
	(5) Audit Fee for the year ended 31st December, 1956. The entry for audit fees in the Profit and Loss Account is for the services rendered in respect of the year ended 31st December, 1955 . . .						
	(6) Liability arising out of leave salary, pension, provident fund, (except in the case of Shri S. S. Seshadri); disability compensation, house rent or other contributions due under the terms of appointment generally or specially in respect of employees of the Corporation who are on deputation from the Government of India or State undertakings .						
					30,57,663	6	6

REPORT OF THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the National Industrial Development Corporation Private Limited, New Delhi, as at the 31st day of December, 1956, and also the annexed Profit and Loss Account of the Corporation for the year ended on that date with the books and accounts as kept by the Company and report that :

(*a*) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;

(*b*) In our opinion proper books of account as required by law have been kept by the company, so far as appears from our examination of the books ;

(*c*) The Balance Sheet and Profit and Loss Account dealt by the report are in agreement with the books of account ;

(*d*) The Deed of mortgage and other documents executed by Messrs. Kharda Company Limited in favour of the Corporation for the loan given could not been seen by us as they were not available in Delhi at the time of audit. Subject to the above, the accounts, in our opinion and to the best of our information and according to the explanations given to us to give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

(*i*) in the case of the Balance Sheet of the State of the affairs of the Company as at 31st December, 1956 and

(*ii*) in the case of the Profit and Loss Account of the result for the year ended on that date.

Flat No. 3, Thapar House,
124, Janpath, New Delhi.
22nd March, 1957.

Sd/- Morarji Desai, CHAIRMAN.
Sd/- L.K. Jha, MANAGING DIRECTOR.
Sd/- V. Narayanan DIRECTOR
Sd/- S. Viadyana Aiyar & Co. CHARTERED ACCOUNTANTS.

CORPORATION PRIVATE LTD., NEW DELHI

as at 31st December, 1956—concld.

As at 31-12-1955	ASSETS—*concld.*	Rs. A P.	Rs. A. P.
	Brought Forward .		6,87,099 14 9
	Loans and Advances—		
	Debts considered good in respect of which the Company is fully secured — Loan to M/s. Khardan Co. Ltd., including accrued interest . .		18,14,810 8 0
4,472	Debts considered good for which the Company holds no security other than the Debtor's personal security — Advance to Shri S. G. Varadkar		506 4 0
	Cash and Bank Balances—		
27	Cash in hand	73 3 6	
4,35,582	With State Bank of India, New Delhi in Current Account No. 1 . .	5,51,035 8 6	
903	With State Bank of India, New Delhi in Current Account No. I . .	4,137 15 9	5,55,246 11 9
			30,57,663 6 6

THE NATIONAL INDUSTRIAL DEVELOPMENT

Profit and Loss Account for the

S. Vaidyanath Aiyar & Co.
Chartered Accountants.

Year ended 31-12-1955 Rs.					Rs.	As.	Ps.	Rs.	As.	Ps.
	To *Expenditure on Projects*:									
	Synthetic Rubber				86,401	9	0			
	Aluminium				70,026	5	0			
	Dyestuffs & Intermediates				55,770	8	9			
	Foundry Forge:									
	Project.	29,810	2	0						
	Adviser.	20,518	3	0	50,328	5	0			
	Pulp & Newsprint:									
	Italian Team	18,533	8	6						
	German Team	16,074	4	0						
	Despatch of Raw Materials to Snia Viscosa	12,825	6	0	47,433	2	6			
	Heavy Machinery.				10,570	4	6			
23,672	Films				196	13	0	3,20,735	15	9
	To *Administration & other Expenses*:									
510	Salaries and allowances.				26,172	6	0			
1,400	Directors' fees				1,800	0	0			
4,025	Directors' Travelling Expenses				4,735	9	6			
19	Printing & Stationery				2,413	7	3			
1,102	Travelling & conveyance				1,485	13	0			
	Contribution to Provident Fund				719	0	0			
	Motor Car Expenses				532	2	6			
	Entertainment expenses				362	8	0			
13,161	Preliminary Expenses				225	7	0			
	Audit fee				100	0	9			
	Filing fee				86	0	0			
	Postage & Telegrams				63	3	0			
5	Bank charges				52	12	0			
51	General charges				49	11	6			
	Interest on loan				8,689	9	0			
	Depreciation				245	8	0	47,733	0	9
	To *Jute Loan Advisory Committee office Expenses*:									
	Salaries and allowances				29,596	11	0			
	Travelling Expenses				274	11	0			
	General charges				32	7	3			
5,087	Postage & Telegrams				25	0	0	29,928	13	3
	Cotton Textile Loan Advisory Committee office Expenses:									
	Travelling expenses of Committee Members				2,447	11	6			
	Entertainment				38	0	0	2,485	11	6
				TOTAL		Rs.		4,00,883	9	3

Sd. S. Vaidyanath Aiyar & Co.
Chartered Accountants.

CORPORATION PRIVATE LIMITED, NEW DELHI.

year ended 31*st December* 1956.

Year ended 31-12-1955 Rs.		Rs. As. Ps.	Rs. As. Ps.
	By Interest on Loan . . .		7,575 8 0
	,, Miscellaneous Income . . .		14,500 0 0
4,598	,, Interest on Government securities.	16,652 6 0	
	Less : Income-tax deducted at source	5,578 2 0	11,074 4 0
	,, Recovery from Nahan Foundry Private Ltd. for Establishment charges.		206 7 3
	,, Refund of Travelling Expenses .		108 5 6
	,, Balance being the grant from the Government of India. . .		3,67,419 0 6
		TOTAL Rs.	4,00,883 9 3

Sd/- MORARJI DESAI, *Chairman.*

Sd/ L. K. JHA, *Managing Director.*

Sd/- V. NARAYANAN, *Director.*

Sd/- S. GOPALAN, *Secretary.*

SINDRI FERTILIZERS &

Balance Sheet

As at 31st March, 1956

LIABILITIES	Rs.	Rs.	Rs.
SHARE CAPITAL :			
Authorised :			
3,00,000 Shares of Rs. 1,000/- each . . .		30,00,00,000	30,00,00,000
Subscribed :			
1,70,000 Ordinary Shares of Rs. 1,000/- each issued as fully paid pursuant to letter No. Fy. (4)/165, dated 26/27th December, 1951 from the Government of India, Ministry of Works, Production & Supply without payment being received in cash		17,00,00,000	17,00,00,000
RESERVES AND SURPLUS : (As per Schedule I)		4,49,94,795	3,29.86,035
LOANS :			
Secured :			
Cash Credit with State Bank of India secured by the hypothecation of Stocks, Stores and Book Debts	18,99,029		
Loan from Government of India (Note 2) . . .	3,00,00,000		3,00,00,000
Unsecured :			
Loan from Government of India against Expansion Scheme	4,30,00,000		2,58,00,000
		7,48,99,029	5,58,00,000
Carried Forward .		28,98,93,824	25,87,86,035

CHEMICALS PRIVATE LTD.

as at 31st March, 1957.

	Rs.	ASSETS Rs.	*As at 31st March, 1956* Rs.	Rs.
FIXED CAPITAL EXPENDITURE:				
Fixed Assets at cost less depreciation (As per Schedule II) . . .		19,54,35,470		20,41,58,786
Capital works in Progress at cost (including Stores earmarked for Capital works Rs. 34,27,621/- 31-3-1956 Rs. 12,30,248/-)		6,11,28,500		2,49,88,572
			25,65,63,970	22,91,47,358
CURRENT ASSETS :				
Stores, Spare Parts and Packing Materials at cost as per Inventories valued and certified by the Managing Director . . .	2,72,05,609			2,11,97,949
Foreign Purchases in Transit at cost	6,21,808			7,94,930
Stock in Trade (Note 4) As per Inventories valued and certified by the Managing Director Raw Materials at cost	68,06,677			26,42,389
Semi finished goods at cost	14,38,304			15,71,606
Finished Goods at cost .	2,40,414			54,67,417
By-products at sale price .	34,335			63,172
Raw Materials in Transit at cost	88,035			82,345
		3,64,35,182		3,18,19,808
Sundry Debtors (Note 3): Secured by Bank Guarantee considered good . .	2,04,808			7,87,270
Unsecured considered good: Governments Departments .	1,16,21,087			88,63,278
Others	16,37,896			21,39,913
Considered Doubtful . .	866			3,708
	1,34,64,657			1,17,94,169
Less: Reserve for Bad & Doubtful Debts . . .	866			3,708
		1,34,63,791		1,17,90,461
			4,98,98,973	4,36,10,269
Carried Forward			30,64,62,943	27,27,57,627

SINDRI FERTILIZERS

Balance Sheet

As at 31st March, 1956

	Rs.	Rs.	Rs.
Brought Forward		29,83,93,824	25,87,86,035
CURRENT LIABILITIES AND PROVISIONS:			
Snndry Creditors	2,33,06,198		1,91,38,339
Trade Deposits & Advance against Sale orders	18,81,727		79,40,784
Interest accrued & accruing on Secured loans	13,50,000		18,22,131
Interest accrued and accruing on Unsecured loans	9,37,904		5,30,805
Provision for Workers' Amenities . .	6,00,000		..
Proposed Dividends	..		68,00,000
Unclaimed Dividends	60		200
		3,65,75,889	3,62,32,259
Contingent Liabilities (Note 3)			
		32,64,69,713	29,50,18,294

(Sd.) N. M. RAIJI & CO.,
Chartered Accountants.

CHEMICALS PRIVATE LIMITED.

as at 31st March, 1957—concld.

			As at 31st March, 1956	
	Rs.	Rs.	Rs.	Rs.
Brought Forward . . .			30,64,62,943	27,27,57,627
LOANS AND ADVANCES:				
Sundry Debtors over three months: Secured by Bank Guarantee considered good:				11,986
Unsecured considered good:				8,17,195
Government Departments.	10,30,653			3,30,811
Others	9,92,714			1,00,364
Considered Doubtful .	77,920			12,60,356
	21,01,287			1,00,364
Less Reserve for Bad & Doubtful Debts . .	77,920			11,59,992
		20,23,367		
Advances recoverable in cash or in kind or for value to be received:				
Government Departments.		83,40,052		84,00,517
Others		86,32,895		35,98,908
			1,89,96,314	1,31,59,417
CASH AND BANK BALANCES:				
Cash in Hand . . .		8,23,321		6,89,036
Cash in Current Account with Banks . . .		1,87,135		1,69,201
Cash in Cash Credit Account with State Bank of India .		..		12,43,013
Cash in Short Term Deposit with Banks . . .		..		70,00,000
			10,10,456	91,01,250
			32,64,69,713	29,59,18,294

(Sd) Shri Ram, *Chairman.*

(Sd) Digvijaya Narayan Singh, *Director.*

(Sd) J. J. Ghandy, *Director.*

(Sd) V. Nilakantan, *Managing Director.*

(Sd) K. I. GHEI, *Director.*

SINDRI FERTILIZRS &

Profit and Loss Account

	Rs.	Rs.	1955-56 Rs.
OPENING STOCK			
Finished Goods	54,67,417		30,37,936
Semi-finished goods	15,71,606		12,21,825
By-products	53,172		22,330
		71,02,195	42,82,091
Materials Consumed	4,67,78,274		4,22,97,950
Less Transfers (As per Schedule III)	93,25,059		83,38,501
		3,74,53,215	3,39,59,449
Salaries Wages and Benefits to Employees	1,75,27,301		1,45,56,851
Less Transfers (As per Schedule IV)	36,84,609		31,40,489
		1,38,42,692	1,14,16,362
Power and Fuel		83,51,745	80,85,962
Freight, Handling Charges, Customs Duty etc.	2,45,70,784		1,73,68,318
Less On Materials	2,42,69,758		1,71,65,854
		3,01,026	2,02,464
Rent		21,692	25,113
Royalties		2,51,235	1,30,331
Rates and Taxes		1,52,450	1,57,919
Repairs:			
Machinery	72,76,676		71,79,921
Less Transferred to Power and Fuel	2,63,080		3,02,449
	70,13,596		68,77,472
Building	1,64,734		1,43,359
Other	2,29,832		5,46,884
		74,08,162	75,67 715
Insurance		26,798	27 017
Miscellaneous Expenses		13,82,159	13,37 626
Audit Fees and Expenses:			
Statutory Audit	16,991		17,301
Government Audit			63,168
		16,991	80,469
Directors' Fees & Allowances		3,857	6,205
Bad Debts Written off		6,323	1,979
Carried Forward		763,30,540	6,72,80,70

CHEMICALS PRIVATE LIMITED.

for the year ended 31st March, 1957.

	Rs.	Rs.	1955-1956 Rs.
SALE OF PRODUCTS	10,77,53,035	..	9,22,89,300
Less: Payable to the Central Fertilizer Pool of the Government of India . ..	39,34,241	..	34,91,114
		10,38,18,794	8,87,98,186
SALE OF:			
Miscellaneous Goods and Stores . . .	3,90,253	..	3,02,951
Discarded Assets	69,875	..	28,046
		4,60,128	3,30,997
INCOME FROM OTHER SOURCES :			
Sale of Power to Damodar Valley Corporation	..	..	3,92,217
Rent, Water Electricity Furniture Hire etc. .	8,92,362	..	7,32,173
Income from Miscellaneous Sources including Claims Receivable . . .	4,95,849	..	2,18,124
INTEREST ON :			
Bank Deposits	1,83,169	..	75,845
Loan and Advances	2,340	..	7,973
		15,73,720	14,26,332
Carried Forward .	..	10,58,52,642	9,05,55,515

SINDRI FERTILIZERS &

Profit and Loss Account

	Rs.	Rs.	1955-1956 Rs.
Brought forward	..	7,63,30,540	6,72,80,702
INTEREST :			
Cash Credit	10,846	..	16,739
Loans from Government of India . .	22,87,904	..	23,52,936
	22,98,750	..	23,69,675
Less : Transferred to Capital Expenditure—Expansion Scheme	9,37,904	..	..
		13,60,846	23,69,675
Loss on Assets discarded or sold . . .	..	80,192	10,315
Depreciation	1,91,38,029	..	1,84,36,926
Less : Transferred to Power and Fuel .	36,20,066	..	35,89,179
		1,55,17,963	1,48,47,747
		9,32,89,541	8,45,08,439
Less : Expenditure included above transferred to Capital Expenditure Power and Fuel Repairs, Raw Materials, etc.	..	52,73,806	48,18,422
		8,80,15,735	7,96,90,017
Debits relating to past period (as per Schedule V)	..	2,81,000	19,53,340
Net Profit carried to Appropriation Account .	..	2,04,71,844	1,63,63,342
		10,87,68,579	9,80,06,699

(Sd) N. M. RAIJI & CO.,

Chartered Accountants.

CHEMICALS PRIVATE LIMITED

for the year ended 31st March, 1957.—concld.

	Rs.	1955 Rs.	1956 Rs.
Brought Forward	..	10,58,52,642	9,05,55,515
CLOSING STOCK:			
Finished Goods	2,40,414	..	54,67,417
Semi-finished Goods	14,38,304	..	15,71,606
By-products	34,335	..	63,172
		17,13,053	71,02,195
Credit relating to past period (as per Schedule V)	..	12,02,884	3,48,989
		10,87,68,579	9,80,06,699

SHRI RAM, *Chairman*

DIGVIJAYA NARAYAN SINGH, *Director*

J. J. GHANDY, *Director.*

V. NILAKANTAN, *Managing Director.*

K. L. GHEI, *Director.*

SINDRI FERTILIZERS & CHEMICALS PRIVATE LIMITED.

Appropriation Account for the year ended 31st March 1957

		1955-1956			1955-1956
	Rs.	Rs.		Rs.	Rs.
Reserve for Repairs and Renewals . . .	32,28,632	28,74,619	Balance as per last year's Account	18,06,048	6,17,325
Taxation Reserve	40,00,000	30,00,000	Net Profit brought forward from Profit and Loss Account	2,04,71,844	1,63,63,342
General Reserve . . .	45,00,000	25,00,000			
Proposed Dividend	85,00,000	68,00,000			
Balance carried to Balance Sheet .	20,49,260	18,06,048			
	2,22,77,892	1,69,80,667		2,22,77,892	1,69,80,667

SINDRI FERTILIZERS & CHEMICALS PRIVATE LTD.

SCHEDULE—I

Schedule Forming Part of Balance Sheet as at 31st March, 1957

Reserve and Surplus

Reserves and Surplus	As at 31st March 1957.		As at 31st March, 1956.	
CAPITAL RESERVE NOT AVAILABLE FOR DIVIDEND	Rs.	Rs.	Rs.	Rs.
As per last Balance Sheet	2,08,640		1,86,990	
Additions during the year	11,630	2,20,270	21,650	2,08,640
General Reserve :				
As per last Balance Sheet	1,19,00,000		94,00,000	
Additions during the year	45,00,000	1,64,00,000	25,00,000	1,19,00,000
Taxation Reserve :				
As per last Balance Sheet	30,00,000			
Additions during the year	40,00,000	70,00,000	30,00,000	30,00,00
Reserve for Repairs and Renewals:				
As per last Balance Sheet	1,59,75,419		1,31,00,800	
Additions during the year	32,28,632	1,92,04,051	28,74,619	1,59,75,41
Reserve for bad and doubtful Debts :				
As per last Balance Sheet	2,00,000		2,00,000	
Less : Deduct from Sundry Debtors	78,786	1,21,214	1,04,072	95,928
Surplus :				
Balance as per Appropriation Account		20,49,260		18,06,048
		4,49,94,795		3,29,86,035

SINDRI FERTILIZERS & CHEMICALS PRIVATE LIMITED

SCHEDULE II

Schedule Forming Part of Balance Sheet as at 31st March, 1957

FIXED ASSETS

Description of Assets	Cost up to 31-3-56	Additions during the year	Less Original cost of Asset sold or discarded	Gross Block at cost as at 31-3-1957	Depreciation written off up to 31-3-1957	Net Depreciated Block as at 31-3-1957	Net Depreciated Block as at 31-3-1956
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	72,53,002	32,531	...	72,85,533	...	72,85,533	72,50,002
BUILDINGS	5,66,08,011	32,85,954	...	5,98,93,965	1,07,26,759	4,91,67,206	4,82,33,840
PLANT & MACHINERY	15,05,59,698	23,40,622	96,162	15,28,04,158	6,33,59,325	8,94,44,833	9,98,10,050
COKE OVENS	2,57,53,338	5,46,016	...	2,63,04,354	54,03,549	2,09,00,805	2,26,98,497
ELECTRICAL INSTALLATIONS	52,96,228	7,19,238	...	60,15,466	16,10,546	44,04,920	40,57,247
WATER SYSTEM & SANITATION	1,53,60,965	8,59,277	...	1,62,20,242	37,16,164	1,25,05,078	1,24,11,882
RAILWAY SIDINGS	59,86,473	10,77,127	...	10,63,600	9,25,037	61,38,563	52,80,131
FURNITURE, FIXTURE AND OFFICE APPLIANCES	13,12,511	4,19,825	4,414	17,27,922	4,72,412	12,55,510	9,81,613
ROADS, CULVERTS, WALLS AND FENCES	24,25,743	5,55,913	...	29,81,656	1,44,095	28,37,561	23,10,253
PRECISION INSTRUMENTS, LABORATORY MEDICAL AND FIRE FIGHTING EQUIPMENTS ETC.	6,89,555	3,99,657	28,809	10,60,403	2,01,633	8,58,770	5,55,139
TRANSPORT VEHICLES	10,20,440	2,84,730	1,28,059	11,77,111	5,40,349	6,36,762	5,66,203
LIVE STOCK	929	...	...	929	...	929	929
	27,22,71,893	1,05,20,890	2,57,444	28,25,35,339	8,70,99,869	19,54,35,470	20,41,55,786

SINDRI FERTILIZERS & CHEMICALS PRIVATE LIMITED

SCHEDULE III

Schedule forming Part of Profit and Loss Account for the year ended 31st March, 1957

Materials Consumed

	1956-57		1955-56	
Raw Materials	Rs.	Rs.	Rs.	Rs.
Opening Stock	26,42,389		44,66,98	
Purchases	1,11,86,236		93,91,014	
Freight, Handling Charges				
Customs Duty etc.	2,37,57,729		1,64,60,297	
Cost of Mined Gypsum	11,33,388		8,05,545	
	3,87,19,742		3,11,23,754	
Less : Closing Stock	68,06,677	3,19,13,065	26,42,389	2,84,81,365
Packing Materials				
Opening Stock	5,75,167		4,61,171	
Purchases	50,79,308		41,19,959	
Freight, Handling Charges Customs Duty etc.	1,09,965		1,37,67	
	57,64,440		47,18,808	
Less : Closing Stock	12,25,475	45,38,965	5,75,167	41,43,641
Stores and Spare Parts				
Opening Stock	2,06,22,782		1,51,80,787	
Purchases	1,51,99,908		1,43,69,197	
Freight, Handling Charges				
Customs Duty etc.	4,02,064		5,67,879	
Cost of Shop manufactured Articles	81,624		1,77,893	
	3,63,06,378		3,02,95,726	
Less : Closing Stock	2,59,80,134	1,03,26,244	2,06,22,782	96,72,944
		4,67,78,274		4,22,97,950
Total Materials Consumed				
Less : Transferred to Capital Expenditure, Power & Fuel Repairs, Welfare Expenses etc.	22,51,433		20,16,657	
Raw Materials	70,73,626	93,25,059	63,21,844	83,38,501
Stores and Spare Parts		3,74,53,215		3,39,59,449

SINDRI FERTILIZERS & CHEMICALS PRIVATE LIMITED

SCHEDULE—IV

Schedule forming part of Profit and Loss Account for the year ended 31st March, 1957

SALARIES, WAGES AND BENEFITS TO EMPLOYEES

	1956-57	1955-56
	Rs.	Rs.
Salaries and Wages	1,43,73,752	1,34,75,271
Contribution to Provident and other funds	5,53,557	4,88,037
Workmen and Staff Welfare Expenses (including Provision for Workers' Amenities Rs. 6,00,000/- 1955-56 Nil)	15,33,556	5,43,039
Ex-gratia Ad-hoc Payment to Workers	10,19,105	..
Managing Director's Remuneration (including Foreign Service Contribution)	47,331	50,504
	1,75,27,301	1,45,56,851
Less : Transferred to Capital Expenditure, Power and Fuel, Repairs, Welfare Expenses etc.	36,84,609	31,40,489
	1,38,42,692	1,14,16,362

SINDRI FERTILIZERS & CHEMICALS PRIVATE LTD.

SCHEDULE V

Schedule forming part o Profit and Loss Account for the year ended 31st March 1957

CREDITS AND DEBITS RELATING TO PAST PERIOD

	1956-57 Rs.	1955-56 Rs.
Credits relating to past period		
Sale of Power to Damodar Valley Corporation . . .	92,968	3,48,989
Recovery of Haulage Charges	73,500	..
Previous year's expenditure on Expansion scheme now capitalised	35,711	..
Previous year's interest on Loan against Expansion scheme now capitalised	57,30,805	..
Excess provisions of previous years no longer required . .	4,69,900	..
	12,02,884	3,48,989
Debits relating to Past Period		
Welfare Expenses	2,81,000	..
State Insurance Scheme	..	3,70,000
Wages and Salaries	..	7,77,277
Freight	..	57,716
Repairs	..	3,83,773
Miscellaneous Expenses	..	3,64,574
Depreciation	2,81,000	19,53,340

HINDUSTAN CABLES

Balance Sheet as at

31-3-56 Rs.	CAPITAL AND LIABILITIES			Rs.	Rs.
	I. SHARE CAPITAL				
	AUTHORISED				
	30,000 Ordinary Shares of Rs. 1,000/- each				3,00,00,000
	SUBSCRIBED				
1,24,97,000	12,497 Ordinary Shares of Rs. 1,000/- each Fully Called and Paid up				1,24,97,000
	II. RESERVES & SURPLUS				
	General Reserve			..	2,56,877
540	General Provident Fund			637	
31,878	CONTRIBUTORY PROVIDENT FUND				
	Employees' Contribution	Rs.	28,673		
	Less paid off Rs.	Rs.	2,856		
		Rs.	25,817		
	Add Employer's Compulsory Contribution	Rs.	28,673		
	Add Employees' Voluntary Contribution	Rs.	577	55,067	55,704
	III. SECURED LOANS				
33,60,000	Loan from Government of India			39,00,000	
1,436	D.A.G.I. & S. Advance			1,436	
1,071	D.A.G.I. & S. (as per Contra)			Nil	39,01,436
	IV. UNSECURED LOANS				
1,000	Fixed Deposit				3,000
1,58,32,925	Carried Over				1,67,14,017

PRIVATE LIMITED

March, 1957

HINDUSTAN CABLES

31-3-56 Rs.	PROPERTY AND ASSETS		Rs.	Rs.
	I. FIXED ASSETS			
75,62,097	Details as per Schedule attached . .			81,07,635
	II. INVESTMENTS			
	INVESTMENT IN NATIONAL SAVINGS CERTIFICATE			
520	General Provident Fund		520	
31,035	C.P. Fund		51,005	
1,000	Security Deposit		3,000	54,525
	III. CURRENT ASSETS (as per Inventories valued and certified by Managing Director in respect of each item).			
	1. STORES AND SPARE PARTS			
81,276	(*a*) Miscellaneous Stores at cost	1,36,761		
77,740	(*b*) Stores at Shops at cost .	1,95,636		
81,810	(*c*) Stock of Scrap at last rate sold	45,215	3,77,612	
32,039	2. Small Tools : on revaluation . . .		40,140	
	3. STOCK-IN-TRADE :			
11,54,628	(*a*) Raw Materials and Incidental Raw Materials at cost . .	24,59,949		
7,59,535	(*b*) Finished Goods at cost or at acceptance of tender price where available, whichever is lower.	7,53,286	32,13,235	
8,78,962	4. WORK-IN-PROGRESS at cost (Estimated amount for which jobs remained to be executed Rs. 12,67,455)			11,70,675
	5. Sales Receivable		7,19,090	
	Sales of Scrap Materials Receivable . .		11,857	
			55,32,609	
1,06,60,742	Carried Over . . .			81,62,160

HINDUSTAN CABLES

Balance Sheet as at

31-3-56 Rs.	CAPITAL & LIABILITIES—*contd.*	Rs.	Rs.
1,58,82,925	Brought Forward . .		1,67,14,017
	V. CURRENT LIABILITIES & PROVISIONS		
2,67,876	Sundry Creditors including provisional Sundry Creditor	19,13,807	
5 33,925	Interest Accrued on Secured Loan	..	
	Interest payable to Government of India . .	2,46,750	
	Proposed Dividend	2,49,940	24,10,497
1,67,34,726	Carried Over . .		191,24,514

PRIVATE LIMITED

31st March, 1957

31-3-56 Rs.	PROPERTY & ASSETS—*contd.*	Rs.	Rs.	Rs.
1,06,60,742	Brought Forward . .		55,32,609	81,62,160
	6. SUNDRY DEBTORS			
	Unsecured (Considered good)			
11,02,212	(*a*) Government Department . .		24,82,283	
8,238	(*b*) Private Parties . . .	10,742		
	Less : Bills over 3 months transferred to Loans & Advances .	6,406	4,336	80,19,228
	IV. LOANS & ADVANCES			
	1. Deposits to Govt. Departments .		86,80,889	
13,79,416	*Less* : Provisional prices adjusted against goods supplied for which final bills are still awaited . .		83,07,818	3,73,071
1,071	D.A.G.I. & S.			Nil
	2. ADVANCES RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED			
26,374	(*a*) Private Parties (including Rs. 5,60,745/- against RR for supply of Steel Tapes)		5,95,365	
	(*b*) Provident Fund Advance to employees . . .		2,129	
	(*c*) Suspense (including Rs. 2,60,370 A/c Plant & Machinery under inspection)		3,08,627	
	(*d*) Prepaid Expenses . . .		849	9,06,97
1,31,78,053	Carried Over . .			1,74,61,429

HINDUSTAN CABLES

Balance Sheet as at

31-3-56 Rs.	CAPITAL & LIABILITIES—(*Contd.*)		Rs.
1,67,34,726	Brought Forward		1,91,24,514
1,67,34,726		TOTAL .	1,91,24,514

Notes:—1. Loans & Advances due by Officers of the Company

Ex-Managing Director—Travelling Allowance & Pay Advance	13,500	
Do. Motor Car Advance	4,200	
Other Officers Motor Car Advance. . . .	4,000	
Cycle & Puja Advances to Staff & Workers . .	2,407	14,107
2. Maximum amount due from Officers at any time during the year (including Rs. 23,445/- paid to staff and workers on A/c. of Puja Advance) . . .		28,252
3. Claims lodged against Insurance Co., and Railway etc. but not acknowledged		37,830

4. Annas and pies have been eliminated.

5. Sales Receivable—

Being the estimated value as well as estimated difference in value of cables sold, the price for which could not be finalised due to non-availability of final A/T price from the D.G.S. & D, and also value of cables sold, bills for which could not be submitted within the year for non-receipt of accepted Inspection Notes from the P. & T. Department.

PRIVATE LIMITED

31st March, 1957

31-3-56 Rs.	PROPERTY & ASSETS—*contd.*	Rs.	Rs.
1,31,78,053	Brought Forward . . .		1,74,61,429
	V. CASH & BANK BALANCES		
2,343	(a) Cash in Hand (as certified)	10,430	
81	(b) Stamps in Hand	29	
31,056	(c) With State Bank of India, Asansol . . .	5,78,079	
66,034	(d) With State Bank of India Chittaranjan . .	17,384	
	(e) With State Bank of India, Calcutta . .	57,163	
30,00,000	(f) Short Term Deposit with State Bank of India, Asansol	10,00,000	16,63,085
4,57,159	VI. DEFERRED REVENUE A/c . . .		nil.
1,67,34,726	TOTAL . .		1 91,24,51

As per Report annexed
RAY & RAY
Chartered Accountant, Auditors

Calcutta, the 16th October, 1957

V. NILAKANTAN, *Director*

B. R. MURGAI, *Director*

K. N. R. PILLAI, *Managing Director*

HINDUSTAN CABLES

Trading and Profit and Loss Accounts

31-3-56 Rs.		Rs.	Rs.
	TO STOCK IN HAND ON 1ST APRIL 1956		
8,58,357	Raw Materials & Incidental Raw Materials .	11,54,628	
82,028	Miscellaneous Constructon Materials . .	81,276	
61,444	Stores at Shop	77,740	
7,02,161	Work-in-progress	8,78,962	
	(Estimated amount for which Jobs remained to be executed Rs. 8,98,459)	..	
15,98,496	Finished Goods	7,59,635	
26,201	Small Tools	32,039	29,84,280
	TO PURCHASES		
52,08,233	Raw materials & Incidental Raw Materials . .	83,64,648	
8,970	Small Tools	12,160	
84,894	Miscellaneous Sotres	1,94,070	
		85,70,878	
	Less Stores issued for Repairs to Machinery and Building	1,990	85,68,888
4,58,563	TO SALARY & WAGES (including Rs. 23,755-9-6 paid to Managing Director)	5,86,962	
	Less Wages spent on A/c. of Repairs to Machinery .	730	5,86,232
69,430	TO MISCELLANEOUS EXPENSES		89,020
	(including Rs. 9,597-3-0 for Managing Director's Deputation Expenses)		
3,755	,, Directors' Fees Travelling Allowances . .		1,284
1,250	,, Audit Fees		1,350
19,197	,, Travelling & Conveyance		9,461
10,823	,, Printing & Stationery		15,861
10,226	,, Postage, Telegrams & Telephone . . .		7,401
9,697	,, Insurance		4,331
235	,, Rent, Rates & Taxes		81
	Carried Over .		1,22,68,189

PRIVATE LIMITED

for the Year ended 31*st March*, 1957.

31-3-56 Rs.		Rs.	Rs.
	BY SALES		
75,53,070	Sales of Products	94,39,102	
103	Sale of Miscellaneous Goods & Stores . .	...	94,39,102
	BY MISCELLANEOUS INCOME		
26,367	Rent, Electric, Furniture Hire, etc. . .	36,129	
2,926	Miscellaneous Receipts	...	...
94,333	Income from miscellaneous Sources (including estimated Sales value of Scrap Rs. 45,215/-) .	71,664	
21,878	Interest from Bank	22,850	1,30,643
	Carried Over		95,69,745

HINDUSTAN CABLES

Trading and Profit and loss Account

31-3-56 Rs.		Rs.
	Brought Forward	1,22,68,189
8,588	To Contribution to Provident Fund	11,586
54,009	,, Electric Charges	69,758
1,39,253	,, Commission to Standard Telephones & Cables Ltd.	1,98,985
71,250	,, Interest on Loan from Government	1,75,500
1,907	,, Workmen & Staff Welfare Expenses	34,871
28,512	,, Estate Development & Maintenance	32,321
5,400	,, Repairs to Machinery (including Wages—Rs. 730-5-0 and Stores— 1,894-6-0)	6,301
343	,, Repairs to Buildings (including Wages Rs. 96-1-0)	8,531
5,96,610	,, Depreciation	5,78,071
		1,33,84,113
65,130	*Less* Materials, Wages & overhead Debitable to Capital Heads	51,355
		1,33,32,758
6,06,569	,, Balance carried to Profit & Loss Appropriation Account	9,93,434
	TOTAL	1,43,26,192

PRIVATE LIMITED

for the Year ended 31st March, 1957.—concld.

31-3-56 Rs.		Rs.	Rs.
	Brought forward		95,69,745
	BY STOCK IN HAND ON 31st MARCH, 1957		
	RAW MATERIALS & INCIDENTAL RAW MATERIALS		
11,54,628	Raw Materials	24,59,949	
81,276	Miscellaneous Stores	1,36,761	
8,78,962	Work-in-Progress	11,70,675	
	(Estimated amount for which Jobs remained to be executed Rs. 12,67,454-8-0).		
7,59,635	Finished Goods (as certified)	7,53,286	
77,740	Stores at Shops	1,95,636	
82,039	Small Tools	40,140	47,56,447
	TOTAL		1,43,26,192

HINDUSTAN CABLE

Profit and loss Appropriation Account

	Rs.	Rs.
To DEFERRED REVENUE EXPENSES		
As per last A/c	4,57,159 0 0	
Add Adjustment on A/c of Interest on Expenditure by Govt. during pre-incorporation period	29,458 0 0	4,86,617 0 0
Proposed Dividend at 2%		2,49,940 0 0
Net Profit transferred to Balance Sheet under General Reserve		2,56,877 0 0
TOTAL		9,93,434 0 0

PRIVATE LIMITED

For the year ended 31st March, 1957

	Rs.
By Balance from Profit & Loss A/c.	9,93,434-0-0
TOTAL	9,93,434-0-0

SCHEDULE OF FIXED CAPITAL ASSETS AS AT 31ST MARCH, 1957 WHICH FORMS A PART OF THE BALANCE SHEET

Sl. No.	ASSETS	Total Cost as at 31-3-56	Additions during 1956-57	Total Cost as at 31-3-57	DEPRECIATION up to 31-3-56	DEPRECIATION From 1-4-56 to 31-3-57	DEPRECIATION Total as at 31-3-57	Total Net Value of Assets as on 31-3-57
1.	Building, Factory, Foundations & Office and Colony & Petty Capital Works	26,69,670 1 9	6,74,874 3 6	33,44,544 5 3	1,77,057 3 9	88,801 1 6	2,65,858 5 3	30,78,686 0 0
2.	Water Supply & Sanitation . .	5,53,463 6 3	63,082 8 0	6,16,545 14 3	67,619 7 3	30,365 12 0	97,985 3 3	5,18,560 11 0
3.	Freehold Land development, Roads, Culverts, Walls & Fences etc. .	3,90,185 13 6	44,867 1 0	4,35,052 14 6	41,376 0 6	19,050 3 0	60,426 3 6	3,74,626 11 0
	Electrical Installation . . .	3,46,018 13 9	72,291 13 0	4,18,310 10 9	52,143 9 9	30,758 3 0	82,901 12 9	3,35,408 14 0
	Plant, Machinery & Accessories .	44,84,847 8 0	2,09,472 2 0	40,94,319 10 0	8,45,940 0 0	3,78,580 6 0	...	...
	Less Written Back for excess charged 19 5-56					46 3 0	12,24,474 3 0	34,69,845 7 0
						3,78,534 3 0		

6. Railway Siding	2,43,212 0 0	...	2,43,212 0 0	45,128 10 0	13,805 13 0	58,994 7 0	1,84,217 9 0
7. Furniture & Fittings, Office Equipment, Factory Equipment, Canteen Equipment & Furniture, Medical Equipment & Colony Equipment .	37,597 4 3	37,639 11 3	75,236 15 6	5,493 8 3	5,194 7 3	10,687 15 6	64,549 0 0
8. Motor Car & Motor Lorry . .	57,145 1 0	16,348 14 0	73,493 15 0	21,374 3 0	7,872 6 0	29,246 9 0	44,247 6 0
9. Fire Fighting Equipments . .	21,004 4 0	1,597 8 0	22,601 12 0	3,088 15 0	1,806 5 0	4,895 4 0	17,706 8 0
10. Telephone Installation . .	19,015 5 0	3,435 5 0	22,450 10 0	841 3 0	1,822 3 0	2,663 6 0	19,787 4 0
TOTAL	88,22,159 9 6	11,23,609 1 9	99,45,768 11 3	12,60,062 12 6	5,78,070 8 9	18,38,133 5 3	81,07,635 6 0

HINDUSTAN AIRCRAFT

Balance Sheet

	LIABILITIES	Rs.	Rs.	Rs.
As at 31st March, 1956				
	SHARE CAPITAL			
	Authorised :			
4,00,00,000	18,00,000 Equity Shares of Rs. 100 each		18,00,00,000	
	Subscribed :			
3,80,24,900	3,80,249 Equity Shares of Rs. 100 each fully paid up (Of the above, 5,250 Shares allotted as fully paid up by appropriation of dividend).		3,80,24,900	
..	3,00,000 Equity Shares of Rs. 100 each pending allotment.		3,00,00,000	
3,80,24,900				6,80,24,900
	RESERVE AND SURPLUS			
	General Reserve :			
25,00,000	As per last Balance Sheet .	25,00,000		
..	*Add*—Transfer from Repairs and Renewals Reserve.	8,97,499		
..	Transfer from Bad and Doubtful Debts Reserve.	2,66,092		
..	Transfer from Profit and Loss Account.	3,36,409		
25,00,000			40,00,000	
	Research and Development Reserve :			
15,00,000	As per last Balance Sheet .	15,00,000		
..	*Less*—Research and Development Expenditure—Adjusted	10,51,108		
15,00,000		4,48,892		
..	*Add*—Transfer from Profit and Loss Account.	15,51,108		
15,00,000			20,00,000	
	Plant Rehabilitation and Development Reserve :			
50,08,006	As per last Balance Sheet .	63,61,598		
13,53,592	*Add*—Transfer from Profit and Loss Account.	7,07,656		
63,61,598			70,69,254	
	Repairs and Renewals Reserve :			
8,97,499	As per last Balance Sheet .	8,97,499		
..	*Less*—Transfer to General Reserve	8,97,499		
8,97,499			..	
12,86,131	Profit and Loss Account .		3,38,433	
1,25,45,228				1,34,687

(PRIVATE) LIMITED, BANGALORE

as at 31st March, 1957

As at 31st March, 1956	ASSETS	Rs.	Rs.	Rs.
	FIXED ASSETS—Details as per Annexure : "Schedule A"			
1,85,85,862	Block Account . . .		1,88,79,993	
5,81,344	Capital Works in Progress .		12,13,338	
1,91,67,206				2,00,93,331
	CURRENT ASSETS			
	Stores and Spare Parts—As per Company's Valuation			
2,03,47,818	Raw Materials and Components .	2,76,74,946		
31,42,446	Spare Parts and other Stores including Construction materials	33,69,453		
2,34,90,264		3,10,44,399		
2,42,500	*Less*—Adjusted to Work in Progress	..		
2,32,47,764			3,10,44,399	
31,78,000	Goods in Transit . . .		76,49,198	
63,78,114	Loose Tools and Equipment .		63,36,570	
2,27,94,855	Work in Progress—at Cost .	2,85,35,570		
2,42,500	*Add*—Adjusted from Stores and Spare Parts.	..		
2,30,37,355			2,85,35,570	
	Sundry Debtors :			
1,00,41,488	Considered good—unsecured .		1,01,50,885	
6,58,82,721				8,37,16,622
	LOANS AND ADVANCES			
52,12,585	Advances to Suppliers .. .		88,70,698	
31,006	Deposits with Public Utility Concerns.		24,264	
5,84,219	Prepaid Expenses and Other Advances.		10,85,011	
	Sundry Debtors—Debts Outstanding for more than three months			
54,86,308	Considered good—unsecured .	73,12,537		
10,78,406	Considered doubtful—unsecured .	10,78,386		
65,64,714		83,90,923		
13,44,478	*Less*—Reserve for Bad and Doubtful Debts.	10,78,386		
52,20,236			73,12,537	
1,10,48,046				1,72,92,510

NOTE :

Due by Officers of the Company.	Rs. 15,929
The maximum amount due at any time during the year by the officers of the Company.	Rs. 20,720

HINDUSTAN AIRCRAFT

Balance Sheet

	LIABILITIES	Rs	Rs.	Rs.
	SECURED LOANS			
77,00,774	Loans from Government of India—Secured by Charge on Assets.		50,00,000	
1,89,000	Loans from Government of India—Secured by Charge on Subsidised Housing.		3,85,421	
78,89,774				53,85,421
	CURRENT LIABILITIES AND PROVISIONS			
1,06,72,999	Sundry Creditors . . .		1,13,91,128	
4,95,960	Interest on Secured Loans .		4,67,506	
4,60,276	Provision for Taxation .	15,10,276		
1,04,672	*Less*—Payments in advance of Assessment.	1,54,672		
3,55,604			13,55,604	
59,81,506	Provision for Gratuity to Employees		67,09,831	
2,49,89,125	Advances and Deposits .		4,17,00,805	
72,115	Security Deposits from Employees		72,316	
7,29,266	Other Liabilities. . . .		9,15,134	
4,32,96,575				6,26,12,324
10,17,56,477	TOTAL .			14,94,30,332

REPORT OF THE AUDITORS TO THE MEMBERS OF HINDUSTAN AIRCRAFT (PRIVATE) LIMITED

We have audited the above Balance Sheet of Hindustan Aircraft (Private) Limited as at 31st March, 1957 and also the annexed Profit and Loss Account of the Company for the year ended on that date.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and the Balance Sheet and Profit and Loss Account are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies' Act, 1956, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st March, 1957, and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

BANGALORE,
Dated 10th October, 1957

(Sd.) FRASER & BROS,
Chartered Accountants.

(PRIVATE) LIMITED, BANGALORE

as at 31st March, 1957

ASSETS

	CASH AND BANK BALANCES :		
20,165	Cash on hand	2,25,247	
31,06,356	In Current Accounts with Banks	58,40,603	
..	At Call Deposit with Banks	30,00,000	
..	On Short Term Deposit with Banks	1,80,00,000	
31,26,521			2,70,65,850
	ASSETS EARMARKED AGAINST EMPLOYEES' ACCOUNTS		
71,021	Security Deposits from Employees in Thrift Deposit Account with Bank.		71,631
8,79,792	**RESEARCH AND DEVELOPMENT EXPENDITURE**		11,90,388
	MISCELLANEOUS EXPENDITURE AND LOSSES		
	Gratuity to Employees—Accrued for the period prior to 1953-54		
23,71,755	As per last Balance Sheet	15,81,170	
7,90,585	*Less*—Written off during the year	15,81,170	
15,81,170			
10,17,56,477	TOTAL		Rs. 14,94,30,332

Sd.
S. JAYASANKAR,
(*Director*)

J. R. D. TATA,
(*Director*)

Sd.
O. PULLA REDDI,
(*Chairman*)

Sd.
K. NARAYANASWAMY,
(*Director*)

S. MUKERJEE,
(*Director*)

Sd.
J. M. SHRINAGESH,
(*Managing Director*).

HINDUSTAN AIRCRAFT (PRIVATE) LIMITED, BANGALORE

SCHEDULE 'A'—FIXED ASSETS

(Forming Annexure to the Balance Sheet as at 31st March, 1957)

Description	Value as at 31st March 1956 At Cost.	Reclassifications and Adjustments.	Additions during the year.	Deductions during the year for Write Offs and Sales.	Value as at 31st March 1957 At Cost.	Depreciation as at 31st March 1957 vide Schedule 'B'.	Net Value as at 31st March 1957.	Capital Works in Progress as at 31st March, 1957 At Cost.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	4,97,487	..	..	..	4,97,487	..	4,97,487	..
Road and Drains	6,05,037	..	76,829	..	6,81,866	..	6,81,866	51,409
Water Supply	5,17,541	(—)1,061	55,180	..	5,71,660	1,30,676	4,40,984	5,324
Buildings	96,18,551	(—)1,33,021	3,81,043	4	98,66,569	21,65,092	77,01,477	8,10,997
Runways	4,97,818	..	..	..	4,97,818	2,15,612	2,82,206	34,319
Railroad Siding	4,06,774	..	..	..	4,06,774	2,54,258	1,52,516	..
Plant Machinery and Equipment	1,32,02,755	(—)1,581	13,01,499	5,144	1,44,97,529	74,69,652	70,27,877	2,69,702
Office Furniture and Equipment	7,28,517	..	1,18,412	495	8,46,434	3,60,952	4,85,492	..
Aeroplanes	1,72,253	(—) 899	..	..	1,71,354	66,422	1,04,932	..
Transport Vehicles	28,30,437	..	3,98,203	..	32,28,640	17,23,484	15,05,156	41,687
TOTAL	2,90,77,170	(—)1,36,562	23,31,166	5,643	3,12,66,131	1,23,86,138	1,88,79,993	12,13,338

SCHEDULE 'B'—DEPRECIATION ON FIXED ASSETS

(Forming Annexure to the Balance Sheet as at 31st March, 1957)

Description.	Provision as at 31st March, 1956.	Reclassifications and Adjustments.	Additions during the year.	Deductions during the year for Write Offs and Sales.	Provision as at 31st March, 1957.
	Rs.	Rs.	Rs.	Rs.	Rs.
Land	..	..	..	..	..
Roads and Drains	..	..	..	..	..
Water Supply	1,00,562	..	30,114	..	1,30,676
Buildings	18,17,674	..	3,47,418	..	21,65,092
Runways	1,84,256	..	31,356	..	2,15,612
Railroad Siding	2,42,777	..	11,481	..	2,54,258
Plant Machinery and Equipment	64,58,502	(—) 98	10,14,857	3,609	74,69,652
Office Furniture and Equipment	3,21,082	..	40,224	364	3,60,942
Aeroplanes	21,594	(—) 295	45,123	..	66,422
Transport Vehicles	13,44,860	..	3,78,624	..	17,23,484
TOTAL	1,04,91,307	(—) 393	18,99,197	3,973	1,23,86,138

HINDUSTAN AIRCRAFT

Profit and Loss Account

Previous Year Rs.		Rs.	Rs.	Rs.
2,30,31,311	TO WORK IN PROGRESS AS AT 1ST APRIL, 1956			2,30,37,355
	„ CONSUMPTION OF STORES AND SPARE PARTS FOR JOB ORDERS			
2,89,20,229	Stores and Spare Parts as at 1st April, 1956.	2,34,90,264		
..	*Less*—Adjustment for Defective Components	2,42,500		
2,89,20,229			2,32,47,764	
1,99,93,518	*Add*—Purchases . . .		3,47,67,503	
4,89,13,747			5,80,15,267	
2,34,90,264	*Less*—Stores and Spare Parts as at 31st March, 1957.		3,10,44,399	
2,54,23,483			2,69,70,868	
31,69,628	*Less*—Stores allocated to Expense Accounts and Capital Works and other Assets.		34,62,247	
2,22,53,855				
3,65,842	„ DIRECT EXPENSES FOR JOB ORDERS			2,35,08,621 26,32,825
4,84,728	„ SHOP SUPPLIES . . .		6,13,887	
10,78,255	„ POWER AND FUEL . .		9,84,429	
48,742	„ RENT		67,776	
80,574	„ REPAIRS TO BUILDINGS . (Excluding Salaries and Wages)		72,906	
6,11,428	„ REPAIRS TO MACHINERY AND EQUIPMENT (Excluding Salaries and Wages).		6,18,613	
1,64,87,929	„ SALARIES, WAGES AND BONUS (Including Salary of General Manager and Managing Director—Rs. 54,108).		1,80,15,959	
4,87,555	„ PROVISION FOR ACCRUED LEAVE AND CONTRACTUAL OBLIGATIONS		6,47,264	
7,23,993	„ PROVISION FOR GRATUITY TO EMPLOYEES.		7,43,374	
9,10,912	„ CONTRIBUTION TO PROVIDENT FUND.		10,15,119	
11,20,492	„ EXPENSES OF WELFARE SCHEMES.		75,33,386	
2,32,755	„ INSURANCE . . .		2,11,638	
2,05,728	„ RATES AND TAXES .		2,61,694	
69,799	„ POSTAGE, TELEGRAMS AND TELEPHONES		86,501	
8,433	„ LEGAL AND AUDIT . .		10,452	
3,75,826	„ TRAVELLING . . .		4,55,799	
1,797	„ DIRECTORS' FEE AND TRAVEL EXPENSES.		324	
4,10,079	„ INTEREST ON LOANS AND ADVANCES.		3,63,961	

(PRIVATE) LIMITED, BANGALORE

for the year ended the 31st March, 1957

Previous Year Rs.		Rs.	Rs.	Rs.
5,20,85,761	BY SALES			5,04,98,265
	„ OTHER INCOME			
7,16,600	Transportation		7,65,716	
2,34,755	Disposal of Scrap . . .		2,77,888	
	Interests:			
1,804	On Call and Short Term Deposits	23,926		
24,656	On Sundry Advances . . .	3,835		
26,460			27,761	
1,99,574	Miscellaneous		3,21,713	
11,77,389				13,93,078
8,79,260	„ INCOME FROM WELFARE SCHEMES.			12,09,598
2,30,37,355	„ WORK IN PROGRESS AS AT 31st MARCH, 1957.			2,85,35,570

HINDUSTAN AIRCRAFT

Profit and Loss Account

		Rs.	Rs.	Rs.
3,091	„ SELLING AGENTS' COMMISSION		10,399	
19,86,205	„ MISCELLANEOUS OPERATION EXPENSES		17,09,716	
16,61,256	„ DEPRECIATION . . .		18,99,087	
15,856	„ FIXED ASSETS WRITTEN OFF.		2,43	
..	„ PROVISION FOR TAXATION		10,50,000	
2,70,05,433			3,03,74,718	
12,79,102	*Less*– Expenses Allocated to Capital Works and other Assets.		11,45,653	
2,57,26,331				2,92,29,065
28,02,426	TO BALANCE CARRIED DOWN			32,28,645
7,71,79,765	TOTAL .			8,16,36,511
7,90,585	TO GRATUITY TO EMPLOYEES—Accrued for period prior to 1953-54.			15,81,170
13,53,592	„ PLANT REHABILITATION AND DEVELOPMENT RESERVE.			7,07,656
..	„ RESEARCH AND DEVELOPMENT RESERVE.			15,51,108
.	„ GENERAL RESERVE . .			3,36,409
12,86,131	„ BALANCE AS PER BALANCE SHEET			3,38,433
34,30,308	TOTAL .			45,14,776

The above is the Profit and Loss Account referred to in our report dated 10th October, 1957.

BANGALORE,

Dated 10th October, 1957

Sd./
FRASER & ROSS.,
Chartered Accountants.

(PRIVATE) LIMITED, BANGALORE

for the year ended the 31st March, 1957

7,71,79,765	TOTAL	8,16,36,511
28,02,426	BY BALANCE BROUGHT DOWN	32,28,645
6,27,882	,, BALANCE AS PER PREVIOUS YEAR'S ACCOUNT.	12,86,131
34,30,308	TOTAL	45,14,776

Sd./ S. JAYASANKAR (*Director*)

Sd./ J. R. D. TATA (*Director*)

Sd./ O. PULLA REDDI (*Chairman*)

Sd./ K. NARAYANASWAMY (*Director*)

Sd./ S. MUKERJEE (*Director*)

Sd./ J. M. SHRINAGESH (*Managing Director*)

BHARAT ELECTRONICS

Balance Sheet As on

Figures for the previous year		Liabilities	Figures for the current year	
Rs.	Rs.		Rs.	Rs.
		Authorised Capital		
10,00,00,000 0 0		100000 Ordinary Shares of Rs. 1000 each.		10,00,00,000 0 0
		Issued and Subscribed Capital		
5,00,00,000 0 0		50000 Ordinary Shares of Rs. 10000 each.		5,00,00,000 0 0
		Called and paid up Capital		
18,750,000 0 0		50000 Shares of Rs. 1000 each at Rs. 687/8 per share.		3,43,75,000 0 0
		Current Liabilities		
	2,60,817 8 6	Sundry Creditors for goods, machinery, customs duty, etc.	18,19,624 11 6	
	37,55,670 5 10	Government of India, Ministry of Defence.	38,79,855 7 9	
	6,53,246 0 7	Compagnie Generals De Telegraphic Sans Fil.	7,20,775 10 10	
	70,370 8 0	Contractors	2,49,203 10 0	
	62,240 10 9	Miscellaneous Creditors.	43,498 1 9	
49,13,722 12 8	1,11,377 11 0	Outstanding Expenses	2,03,965 10 1	69,16,923 3 11
2,36,63,722 12 8		CARRIED OVER		4,12,91,923 3 11

(PRIVATE) LIMITED

31st March, 1957

Figures for the previous year Rs.	Rs.	Assets	Figures for the current year Rs.	Rs.
		Fixed Assets		
5,86,000 0 0		Land at Cost (provisional).		5,86,000 0
		Building at Cost		
	3,05,252 6 0	Temporary buildings, Roads & Culverts (Provisional cost) as per last Balance Sheet. . .	3,05,252 6 0	
		ADD Transfer from Buildings under construction . .	42,86,665 9 6	
			45,91,917 15 6	
		LESS Dismentled Buildings .	34,615 2 0	
			45,57,302 13 6	
	15,568 0 0	LESS Depreciation written off till date . .	95,937 2 0	
	2,89 684 6 0		44,61,365 11 6	
	92,89,674 2 9	ADD Buildings under construction . .	75,35,725 14	
	12,22,520 0 0	ADD Proportionate expenses prior to production. . .	..	1,19,97,091 1 7
11,08,01,878 8 9				
		Plant, Machinery & Factory Equipment		
		At cost as per last Balance Sheet .	53,96,250 9 2	
	8,69,260 8 0	ADD Transfer at cost from factory & office equipment . .	19,851 11 0	
	39,22,302 1 2	ADD Additions during the year .	8,82,284 12 9	
	6,04,688 0 0	ADD Proportionate expenses prior to production . .	..	
11,13,87,878 8 9	53,96,250 9 2	CARRIED OVER .	62,98,387 0 11	1,25,83,091 10 0

BHARAT ELECTRONICS

Balance Sheet As on

Figures for the previous year			Liabilities—*contd.*	Figures for the current year		
Rs.	A.	P.		Rs.	A.	P.
2,36,63,722	12	8	BROUGHT FORWARD	4,12,91,923	3	11
2,36,63,722	12	8	CARRIED OVER	4,12,91,923	3	11

PRIVATE LIMITED

31st March 1957

Figures for the previous year		Assets—*contd.*	Figures for the current year	
Rs.	Rs.		Rs.	Rs.
1,13,87,878 8 9		BROUGHT FORWARD		1,25,83,891 10 0
		Plant, Machinery and Factory Equipment—contd.		
	53,96,250 9 2	Brought Forward	62,98,387 0 11	
		LESS Sales during the year .	1,12,478 9 0	
			61,85,908 7 11	
	53,380 0 0	LESS Depreciation written off till date .	2,20,387 11 0	
			59,65,520 12 11	
		ADD Machinery under erection .	1,43,898 2 0	
53,42,870 9 2		*Electronic Equipment*		61,09,418 14 11
	30,093 7 0	At cost as per last Balance Sheet .	1,69,448 11 0	
	1,21,443 4 0	ADD Additions during the year .	4,94,892 12 0	
	17,912 0 0	ADD Proportionate expenses prior to production .	..	
	1,69,448 11 0		6,64,341 7 0	
	11,184 12 0	LESS Depreciation written off till date .	68,689 12 0	5,95,651 11 0
1,58,263 15 0		*Vehicles*		
	1,07,294 9 2	At cost as per last Balance Sheet .	1,93,058 1 2	
	..	ADD Transfers from 'Factory & Office Equipment' at cost .	490 0 0	
	67,550 8 0	ADD Additions during the year .	37,128 8 0	
	18,213 0 0	ADD proportionate expenses prior to production	..	
	1,93,058 1 2		2,30,676 9 2	
1,60,927 8 2	32,130 9 0	LESS Depreciation written off till date .	61,340 11 0	
		Office Equipment		1,69,335 14 2
	28,835 7 9	Factory & Office Equipment at cost as per last Balance Sheet .	83,803 14 9	
		LESS transfers at cost to Plant, Machinery & Factory Equipment : 19,851 11 0		
		To Vehicles 490 0 0	20,341 11 0	
			63,462 3 9	
1,70,49,940 9 1	28,835 7 9	CARRIED OVER .		1,94,57,498 2 1

BHARAT ELECTRONICS

Balance Sheet As on

Figures for the previous year		Liabilities—(*contd.*)	Figures for the current year	
Rs.	Rs.		Rs.	Rs.
2,36,63,722 12 8		BROUGHT FORWARD		4,12,91,923 3 11
2,36,63,722 12 8		CARRIED OVER		4,12,91,923 3 11

(PRIVATE) LIMITED

31st March 1957

Figures for the previous year		Assets—*contd.*	Figures for the current year	
Rs. A. P.	Rs. A. P.		Rs. A. P.	Rs. A. P.
1,70,49,940-9-1		Brought Forward		1,94,57,498-2-1
		Office Equipment—(contd.)		
	28,835 7 9	Brought Forward	63,462 3 9	
	46,623 7 0	ADD additions during the year .	59,939 14 0	
	8,345 0 0	ADD proportionate expenses prior to production	..	
	83,803 14 9		1,23,402 1 9	
73,726 13 9	10,077 1 0	LESS depreciation written off till date . .	20,842 0 0	1,02,560 1 9
		Furniture Fixtures and Fittings		
	61,886 12 6	At cost as per last Balance Sheet .	1,46,071 1 7	
	68,390 9 0	ADD additions during the year .	1,62,126 14 0	
	15,793 12 1	ADD proportionate expenses prior to production .	..	
	1,46,071 1 7		3,08,197 15 7	
	6,526 2 0	LESS Depreciation written off till date	17,107 8 0	
			2,91,090 7 7	
1,39,544 15 7	..	ADD partly manufactured furniture	30,876 2 0	3,21,966 7
		Library at Cost		
	3,601 15 3	As per last Balance sheet . .	6,697 2 9	
6,697 2 9	3,095 3 6	Additions during year . .	2,224 7 6	8,921 10 3
		PATENT RIGHTS	..	7,83,333 0 0
		Current Assets		
	1,73,605 3 0	Stores and Spares (as certified by the Managing Director) . .	18,66,057 9 4	
	4,141 9 0	Materials-in-transit (as certified by the Managing Director) .	1,43,746 12 9	
	62,821 15 0	Work in-Progress Production (as certified by the Managing Director)	13,76,626 7 0	
	..	Finished Stock .	10,050 0 0	
	2,874 7 0	Sundry Debtors (considered good & recoverable) .	3,84,797 2 9	
	..	Claims Recoverable	40,217 6 7	
3,27,819 2 3	84,376 0 8	Loose Tools .	1,33,873 2 8	39,55,368 9 1
		Loans and Advances		
	2,34,534 7 0	ADVANCES : With Govt. of India, Ministry of Works Housing & Supply (for customs & stores)	8,36,957 4 0	
1,75,97,729 11 10	2,34,534 7 0	CARRIED OVER .	8,36,957 4 0	2,46,29,648 0 9

BHARAT ELECTRONICS

Balance Sheet As on

Figures for the previous year		Liabilities—*concld.*	Figuers for the current year	
Rs. A. P.	Rs. A. P.		Rs. A. P.	Rs. A. P.
2,36,63,722-12-8		Brought Forward	4,12,91,923-3-11	

(Sd.) O. PULLA REDDI, *Chairman.*
(Sd.) S. Jayasankar, *Director*
(Sd.) M.B. Sarwate, ,,
(Sd.) V.N. Chandavarkar, ,,
(Sd.) S.M. Rama Krishna Rao ,,
(Sd.) A. K. Ghosh, *Managing Director.*

(Sd.) K. N. NAIR,
Controller of Finance.

"True Copy"

(Sd.)
Budget Finance Officer

2,36,63,722-12-8	TOTAL	4,12,91,923-3-11

PRIVATE, LIMITED

31st March 1957

Figures for the previous year		Assets—*concld.*	Figures for the current year	
Rs. A. P.	Rs. A. P.	Brought Forward	Rs. A. P.	Rs. A. P.
1,75,97,729-11-10		*Loans & Advances*—contd.		2,46,29,648-0-9
	2,34,534 7 0	Brought Forward .	8,36,957 4 0	
	1,37,277 7 7	ADVANCES with Govt. of India, Ministry of Defence . .	32,65,900 0 0	
	1,01,516 8 8	Others . .	9,88,010 15 2	
	19,779 2 0	Prepaid Expenses	15,641 0 0	
4,93,107 9 3		Expenses on modification of Receiver, Transmitter, etc. recoverable (Net).	1,28,424 13 0	52,34,934 0 2
		Cash & Bank Balances		
	30,320 1 6	Cash on hand .	3,452 7 0	
	36,86,711 1 0	Short term deposit with State Bank of India with accrued interest . .	84,35,138 0 0	
37,91,799 11 1	74,768 8 7	In current account with Bankers .	9,22,576 6 7	93,61,166 13 7
		Miscellaneous Expenses and Losses		
	2,35,016 14 0	Preliminary Expenses . .	2,35,016 14 0	
	1,86,732 10 0	C.S.F., Paris towards inspection & erection etc. of machinery & equipment, as per clause 6(b) of agreement : Rs. 2,42,830 1 1 As per clause 7 of agreement 80,000 0 0	3,22,830 1 1	
	9,52,045 13 4	Technical & Industrial Assistance as per last Balance Sheet : Rs. 9,52,045 13 4 Expended during the year 2,22,954 2 8		
		11,75,000 0 0 LESS amoun transferred to Patent Rights. 7,83,333 0 0	3,91,667 0 0	
		Research, Development . .	44,443 0 0	
		Deferred Revenue A/c . .	6,43,089 10 0	
	4,07,291 7 2	Profit & Loss A/c as per last Balance Sheet : 4,07,291 7 2 Add loss during the year as per P. & L. account : 21,836 5 2	4,29,127 12 4	20,66,174 5 5
17,81,086 12 6				
2,36,63,722 12 8		Total . .		4,12,91,923 3 11

BHARAT ELECTRONICS

Manufacturing account for the year

1955-56 Rs. A.		Rs. A.	1956-57 Rs. A.	1955-56 Rs. A.
	To Work in Progress :— Balance as on 1st April 1956 .			
	Brought forward :			
	(1) Production .	62,821 15		
	(2) Capital Jobs .	30,840 15	93,662 14	13,234 14
1,00,087 5	,, Direct Materials .		4,91,765 10	20,662 6
34,140 7	,, Direct Labour .		1,26,935 10	1,19,252 6
1,21,551 13	,, Direct Expenses .		..	15,845 14
91,116 13	,, Applied overheads		14,23,255 13	
				3,610 12
				1,74,290 2
3,46,896 6			21,35,619 15	3,46,896 6

Trading Account for the year

To Cost of finished stock transferred from Manufacturing Account . .	3,39,690 10
,, Packing and Forwarding charges .	7,125 0
	3,46,815 10

(PRIVATE) LIMITED

ended 31st March 1957

Rs. A.		Rs. A.	1956-57 Rs. A.
	By cost of finished stock transferred to trading Account		3,39,690 10
	,, Cost of manufacture transferred to :—		
	(1) Furniture and fixtures . .	54,748 6	
	(2) Machinery	77,289 3	
	(3) Buildings	..	
	(4) Vehicles	2,974 6	
	(5) Stores	14,945 14	1,49,957 13
	,, Modification to Receiver and Transmitter		85,797 5
	,, Service		8,773 8
	,, Work in progress : Balance as on 31st March 1957 :—		
	(1) Capital Jobs :		
80,627 4	(a) Buildings	..	
30,840 15	(b) Machinery	1,43,898 2	
..	(c) Furniture	30,876 2	
62,821 15	(2) Production (Including Jigs and Tools)	13,76,626 7	15,51,400 11
			21,35,619 15

By Sales	2,00, 8
,, Stock of finished goods on hand .	10,050 0
,, Gross loss carried to Profit and Loss Account	1,36,268 2
	3,46,815 10

BHARAT ELECTRONICS

Profit and Loss Account for the year

1955-56 Rs. A. P.			Rs. A. P.
		To Gross loss brought forward	
12,69,934 13 3		,, Salaries and allowances (inclusive of Rs. 43,098 paid to Managing Director)	16,18,357 10 1
		,, General Stores and Shop supplies . . .	44,377 15 0
75,543 13 0		,, Electricity and Water charges	22,952 15 3
21,808 7 0		,, Training Centre Expenses	1,98,498 9 0
12,700 13 3		,, Postage, telegram and telephones . . .	20,564 7 6
28,293 1 3		,, Printing and Stationery	49,199 4 9
4,272 13 0		,, Rent, Rates and Taxes	6,097 9 9
182 3 6		,, Carriage unallocated	..
95,575 8 0		,, Travelling Expenses (including passages) . .	75,387 6 6
18,604 10 2		,, General expenses (inclusive of staff uniforms and other miscellaneous administrative expenses)	13,605 2 0
31,392 11 9		,, Expenses debited by Govt. of India . . .	..
13,535 1 6		,, Advertisement and subscriptions . . .	34,804 14 0
..		,, Insurance	3,680 0 0
4,007 4 0		,, Directors fees and travelling expenses . .	4,373 0 0
2,427 0 0		,, Legal and Audit Fees	4,950 0 0
..		,, Welfare Expenses	9,884 1 3
..		,, Bank charges	8,767 15 7
..		,, Difference in exchange	4,356 6 3
		,, Repairs and Maintenance :—	
	50,442 14	(*a*) Buildings 33,520 7 3	
	14,025 0	(*b*) Machinery 9,783 0 0	
64,467 14 0			43,303 7 3
16,42,746 1 8		Carried over	21,64,160 12 2

PRIVATE) LIMITED

ended 31st March 1957

1956-57			1955-56				1956-57		
Rs.	A.	P.	Rs.	A.	P.		Rs.	A.	P.
1,36,268	2	0	62,150	12	6	By Miscellaneous Receipts (including interest) . .	2,14,910	9	0
			16,29,165	12	8	,, Net Loss carried to Balance Sheet	21,836	5	2

BHARAT ELECTRONICS

Profit and Loss Account for the year

1955-56 Rs. A. P.	Rs. A. P.			Rs. A. P.
16,42,746 1 8		Brought forward . . .		21,64,160 12 2
	35,180 3 6	To up keep and maintenance of vehicles .	48,696 6	
		Add subsidy on hired transport .	25,771 1	
			74,467 7	
22,066 1 6	13,114 2 0	Less Receipts	13,769 9	
1,17,621 3 0				60,697 14 0
22,066 1 6		,, Depreciation . . .		3,59,462 9 0
..		,, Royalties		2,652 0 0
17,82,433 6 2				
		LESS :		
		(1) Applied overheads :—		
91,116 13 0		(*a*) Production . .		14,23,255 13 0
		(*b*) Buildings . . .		99,508 15 0
		(2) Valves, Crystals and Development section expenses capitalised . .		44,443 0 0
		(3) Proportionate handling charges for stores in stock . . .		1,35,588 0 0
		(4) Handling and Administrative charges for machinery and equipment purchased during the year . .		1,68,110 9 0
		(5) 80 per cent. of French Technicians' salary treated as deferred revenue . .		4,79,320 0 0
		(6) Difference between selling price and actual cost of production transferred to deferred revenue . .		1,36,268 2 0
16,91,316 9 2		TOTALS . . .		

(PRIVATE) LIMITED

31st March 1957

1956-57 Rs. A. P.	1955-56 Rs. A. P.		1956-57 Rs. A. P.
1,36,268 2 0	16,91,316 9 2	Brought forward . .	2,36,746 14 2
25,86,973 3 2			
27,23,241 5 2			
24,86,494 7 0			
2,36,746 14 2	16,91,316 9 2	TOTAL .	2,36,746 14 2

* Direct Overheads	83,181 15 0
Applied Overheads	16,327 0 0

(Sd.) K. N. NAIR,
Controller of Finance.

O. PULLA REDDI,
Chairman.

Directors :
2. S. Jayasankar,
3. V. N. Chandavarka,
4. M. B. Sarwate,
5 S. M. Ramakrishna Raor

6. A. K. GHOSH,
Managing Director.

BALANCE SHEET OF CENTRAL

LIABILITIES

Particulars	As on 31-3-56	As on 31-3-56	As on 31-3-55
I. *GOVT. CAPITAL OUTLAY SCHEMES.*			
As on 1-4-55	5,23,80,157		
Add—withdrawals during the year . .	87,20,671		
	6,11,00,828		
Less remittance into treasury during the year	3,50,47,403		
	2,60,53,425	2,60,57,525	5.23,80,15
Add—imprest	4,100		
II. *SUNDRY CREDITORS.*			
1. Balance payment due on machinery received and taken on charge. . . .	8,76,510		
2. C.P.W.D. for construction of old buildings	88,354		
3. Balance payment due on spares, stores, tools and POL received and taken on charge	21,72,595		
4. Payment due on POL consumed in units	10,49,640		
5. Outstanding railway freight charges on machinery and stores received and taken on charge	4,19,964		
6. Accrued pay and allowances not drawn during the year for the month of March of the current year to be paid in April .	3,50,630		
7. Undisbursed pay and allowances . .	27,040		
8. Undisbursed suppliers bills . .	31,416		
9. Receipts to be deposited into Treasury .	50,345		
10. Commitment commission and interest on Dollar Loan accrued but not paid.	1,70,569		
11. Forwarding charges payable on machinery received and brought on charge :			
Customs .	86,098		
Clearing .	1,888		
12. Payment due to :—			
Matsya Union. . . .	8,793	53,33,842	1.08,45,195

TRACTOR ORGANISATION

Particulars	ASSETS		
	As on 31-3-56	As on 31-3-56	As on 31-3-55
I. *CAPITAL ASSETS ACCOUNTS*:			
Buildings	21,60,046		
Plant and Machinery	9,41,230		
Tractors	49,79,324		
Agricultural implements	43,04,435		
Land Clearing Equipment	23,51,022		
Vehicle and Trucks	20,56,731		
Cranes	2,25,106	1,70,17,894	2,53,43,401
II. CAPITALISED COST OF REHABILITATION OF OLD TRACTORS—EQUIPMENTS	..	..	2,80,108
III. DEFICIENCIES IN THE COST OF OPERATIONS:			
1. Losses on operations of old units as on 1-4-54	14,72,521		
2. Surplus on account of New units as on 1-4-54	6,49,053		
3. Total loss in old units	8,23,468	8,23,468	8,23,468
IV. *MACHINERY AND STORES IN TRANSIT*:			
1. Dollar, Sterling, and Rupee payments adjusted in accounts which have been kept pending for linking with assets received.			
Machinery	1,891		
Stores	1,13,636		
2. Stores in transit between Bhopal and Delhi.	3,44,240		
3. Unallocated customs duty and port trust charges carried forward.			
Customs	Nil		
Clearing	Nil		
Transportation	13,239	4,73,006	6,17,528
V. *STORES ACCOUNTS*:			
1. Closing balance of stores as on 31-3-56:			
(a) at Delhi	43,03,197		
(b) at Bairagarh	66,83,928		
(c) at Units	21,11,798		
(d) Closing balance of POL in units	9,33,443	1,40,32,366	1,58,30,267

BALANCE SHEET OF CENTRAL

Particulars	As on 31-3-56	As on 31-3-56	As on 31-3-55
III. *RESERVES*:			
1. Provision created for meeting the increased cost of amortization of Capital Assets on account of devaluation . .	13,78,286		
2. Renewal Reserves created for meeting the cost of Major overhaul of tractors and Equipment of new units . . .	1,17,94,704		
3. Value of stores priced during the year and found surplus on stock verification .	10,02,674		
4. Price reduction obtained from disposals Department	2,09,717	1,43,85,381	1,32,87.298
IV *PROFITS ON SALE OF CAPITAL EQUIPMENTS* :			
1. Old equipment upto 1954-55 . .	9,57,207		
Add—profits during the year. . .	94,464		
	10,51,671		
2. Profits on new equipments upto 1954-55	1,83,980		
Deduct—loss during the year . . .	8,345		
	1,75,635		
3. Profits on old tractors in 1954-55. .	33,620		
4. Profits on spares during the year .	2,13,820		
5. Profit on sale of POL during the year .	2,078	14,76,824	11,41,187
V. *SALE AND DEPRECIATION ON EQUIPMENT TRANSFERRED TO MINISTRY'S HEAD OF ACCOUNT*		1,49,912	
1. Sales	18,021		
2. Depreciation	38,284		
3 Minus adjustment	93,607		
		4,74,03,484	7,76,53,836

Sd/-
(K.B.L. MEHRA)
Cost Accounts Officer,
Central Tractor Organisation.

Sd/-
(M. L. SINHA),
Chief Accounts Officer,
Central Tractor Organisation.

ATTESTED
[H. C. CHATTERJEE]

TRACTOR ORGANISATION—contd.

Particulars	As on 31-3-56	As on 31-3-56	As on 31-3-55
VI. *WORK IN PROGRESS ACCOUNT.*			
(a) Workshop Delhi	2,27,956		
(b) Vehicle Section Delhi . . .	24,016		
(c) Workshop B'garh . . .	1,01,013		
(d) Vehicle Sec.—do— . . .	..	3,52,995	4,20,851
VII. *SUNDRY DEBTORS.*			
Being the amount of recovery outstanding from State Govt. for			
1. Reclamation work done.			
2. Sale of Capital Equipt.			
3. Sale of Stores and Spares.			
4. Miscellaneous	43,29,352		
5. Expenditure in rehabilitation of Pashabhai implements.	83,076		
6. Recovery due from G.M.F. . .	60,47,304	1,04,59,732	3,07,03,865
VIII. *CASH IN HAND AS ON* 31-3-56 .		1,12,850	
IX. *SUSPENSE ACCOUNT*			
1. Interest chargeable to State Govt. due to staggard recovery . . .	32,83,338		
2. Deferred transportation charges .	50,000		
3. Debit accepted for the difference between post and pre-devaluation rates .	7,97,835	41,31,173	35,77,818
		4,74,03,484	7,76,53,636

Resident Audit Officer
Central Tractor Organisation.

RECLAMATION OPERATION ACCOUNT

For the year 1956-57

Expenditure			Recoveries		
Particulars	Amounts 1955-56	Amounts 1954-55	Particulars	Amounts 1955-56	Amounts 1954-55
I. Salaries and allowances for the Operational staff in the Units . . .	26,82,971	28,38,220	I. Recoveries at Scheduled rates for cost of operation carried out during the year . . .	88,16,660	1,57,62,730
II. Cost of Petrol, Oil and Lubricants consumed. .	21,60,851	31,79,581	II. Recoveries to be met from G.M.F. . . .	45,00,181	15,47,123
III. Contingent expenditure incurred in Units . ,	2,28,333	2,52,141	III. Miscellaneous recoveries for the work undertaken in the Units . . .	1,29,581	1,10,815
IV. Transportation charges incurred for the Operational Unit. . . .	2,62,034	2,63,189			
V. Depreciation on Machinery and Equipment in the Units . . .	37,61,355	46,44,261			
VI. Cost of maintenance services rendered by Base Workshop . .	..	..			
VII. Provision created for major repairs and overhauls .	35,89,690	45,17,201			
VIII. Amount of preliminary expenditure charged to cost of operation . .	..	..			
IX. Amount of rehabilitation charges for old tractors and equipments . ,	250	..			

X. Interest on Capital charged to cost of operation during the year . . .	..	9,79,560			
XI. Audit and Pensionery charges . . .	96,019	80,840			
XII. Direction charges .	5,57,297	5,64,438			
XIII. Deficiency in the workshops, stores, vehicles, Chairman's office charged to cost of operations .	1,07,612	1,01,037			
TOTAL . .	1,34,46,422	1,74,20,668	TOTAL . .	1,34,46,422	1,74,20,668

	1955-56	1954-55
Expenditure . . .	1,34,46,422	1,74,28,668
Total hours worked . .	2,68,728	3,66,140
Cost per hour . . .	49·85	47·59
Total hours ploughed .	1,64,756	2,47,853
Total Acreage ploughed .	1,37,884	2,16,569
Cost per acre . . .	59·34	54·70
Output	·84	·87

NOTE: Interest not included in this year account.

SD/-K. B. L. MEHRA,
COST ACCOUNTS OFFICER,
CENTRAL TRACTOR ORGANIZATION.

SD/-M. L. SINHA,
CHIEF ACCOUNTS OFFICER,
CENTRAL TRACTOR ORGANIZATION.

SD/-GS. KRISHNAN,
RESIDENT AUDIT OFFICER,
CENTRAL TRACTOR ORGANISATION.

MINISTRY OF FOOD AND AGRICULTURE

PAY AND ACCOUNTS OFFICE

Trading and Profit and Loss Account of the Central Fertilisers Pool for the year 1956-57

DEBITS (NON-T.C.A.) *CREDITS*

		Rs.	Rs.			Rs.	Rs.
To	Opening stock on 1-4-1956 in hand	10,15,957 0 0			By Sales		18,06,67,196 6 2
,,	in Pakistan	5,61,494 0 0	15,77,451 0 0	,,	Difference in Price recovered from Sindri Factory —Sales to private parties.		11,87,384 8 0
,,	Purchases		17,46,43,251 13 0				
,,	Railway Freight (Sindri)		90,27,177 9 0				
,,	Railway Freight (Other)		11,37,844 7 3	,,	Stock on 31-3-1957		85,19,023 7 0
,,	Direct Charges		13,83,081 14 10				
,,	Gross Profit		31,66,291 9 1				
	TOTAL		19,10,35,098 5 2		TOTAL		19,03,73,604 5 2

(T.C.A.)

To	Opening Stock on 1-4-1956			By Sales of—			
(a)	Sulphate of Ammonia	63,502 0 0		(a)	Sulphate of Ammonia	11,020 14 0	
(b)	Urea	57,23,553 0 0		(b)	Urea	1,01,19,726 12 5	
(c)	Amm. Sul. Nitrate	34,77,290 0 0		(c)	Amm. Sul. Nitrate	85,71,608 12 4	
(d)	Amm. Cal. Nitrate	48,003 0 0		(d)	Amm. Cal. Nitrate	35,923 9 0	
(e)	Muriate of Potash	94,233 0 0		(e)	Muriate of Potash	1,07,855 6 3	
(f)	Triple Superphosphate	65,391 11 0					
			94,71,972 11 0				1,88,46,13,560

To	*Purchases of*			,,	*Stock on* 31-3-1957		
(a)	Sulphate of Ammonia	..		(a)	Sulphate of Ammonia	52,481 2 0	
(b)	Urea	68,28,634 7 0		(b)	Urea	16,00,464 1 9	
(c)	Amm. Sul. Nitrate	65,47,098 2 0		(c)	Amm. Sul. Nitrate	9,84,029 3 0	
(d)	Muriate of Potash	66,030 13 0		(d)	Amm. Cal. Nitrate	5,390 1 9	
			1,34,41,763 6 0	(e)	Muriate of Potash	61,024 3 0	
	To Railway Freight		26,98,357 8 9	(f)	Triple Superphosphate	65,391 11 0	
	To Direct Charges		2,07,857 8 11				27,68,780 6 6
					,, Gross Loss		42,05,035 6 2
	TOTAL		2,58,19,951 2 8		TOTAL		2,58,19,951 2 8

To	Gross Loss brought down (T. C. A.)		42,05,035 6 2		By Gross Profit brought down (NON-T. C. A.)		31,66,291 9 1
	Salaries		2,51,316 15 0		Recoveries from Special Development Fund on account of T.C.A. Losses		46,28,335 7 0
	Leave Salary Contribution		13,540 2 7				
	Pensionery Charges contribution		14,898 7 9	,,	Miscellaneous Receipts		
	Contingencies		45,484 3 0	(a)	Non T.C.A.	9,105 9 0	
	Audit Charges		5,807 11 0	(b)	T.C.A.	50 13 0	
	Advertisement Charges		749 5 0	(c)	Phosphatic Pool	1,04,709 0 0	1,13,865 6 0
	Interest on Capital		16,95,860 15 0				
				,,	Subsidy Account (withdrawn during the year)		3,76,854 0 0
	Net Profit Carried over to Capital account		22,58,216 2 10	,,	Rebate Account ,, ,,		2,05,562 14 0
	TOTAL		84,90,909 4 4		TOTAL		84,90,909 4 4

DELHI STATE

Balance sheet as on

Corresponding figures of previous year	Particulars		Amount	
10,00,00,000	Maximum Limit & Borrowing Powers of the Board			10,00,00,000
	Capital Liabilities.			
6,31,38,334	(1) Loans, Bonds, Stocks, Outstandings and other capital raised and appropriated			6,69,62,307
	Reserve and Surplus.			
30,84,448	(2) General Reserve		37,64,448	
16,87,120	(3) Tariffs & Development Reserve . . .		24,99,194	
	(4) Taxation Reserve Balance B.F.	15,00,000		
15,00,000	*Less* : Appropriation during the year additional Provision during the year .	6,00,000	21,00,000	83,63,642
	(5) Net Revenue and appropriations account as per Statement IX			
	Current Liabilities.			
	(6) Balance due on construction of Plant & Machinery etc.			
48,95,141	(7) Creditors on open account			36,97,975
30,71,873	(8) Consumers Security deposits			38,87,116
	(9) Temporary accommodations, Bank and/or Govt. Advances redeemable.			
	(10) Accounts payable to be specified :—			
69,709	Earnest Money		67,609	
1,96,271	Unpaid wages		2,32,081	
73,598	Contractors Security Deposits		83,280	
23,803	Staff Security Deposit		27,703	4,10,673
	(11) Other current & accrued Liabilities			
8,170	Due for expenses & services		6,000	
55,142	Provident fund		7,637	
23,73,655	Other credit balance including deposits from various authorities		29,32,575	29,46,212
	Other Provisions.			
2,00,000	Leave Salary fund		1,80,000	
3,62,486	For Gratuity		4,37,158	
29,299	For doubtful debts		33,078	
10,257	For depreciation of investments		1,499	
	For Insurance		4,00,000	10,51,735
8,99,937	For payment to Govt. Revenues treated as loan from Central Govt.		17,12,012	
8,16,79,243				8,90,31,672

Sd/- S. Y. RAMASWAMY,
Senior Accounts Officer.

ELECTRICITY BOARD

31st *March*, 1957

Corresponding figures of previous year	Particulars		Amount
	(1) Intangible assets of Capital nature.		
	Fixed Assets.		
6,29,54,961	(2) Capital amount expended on works . . . (*a*) in use as per St. II	7,24,58,986	
	Less		
1,15,09,222	Accumulated provision for depreciation as per St. V.	1,31,14,018	5,93,44,968
4,14,45,739	(*b*) Obsolete, inadequate etc. assets Bal. at debit hereof as per St. II (*a*)		
	Current Assets		
86,67,068	(3) Capital works in progress		79,93,186
	(4) Stores and materials in hand.		
8,05,214	(*a*) Fuel Coal and/or oil at or below cost . .	8,21,00	
	(*b*) general stores materials at/or below cost—		
61,88,826	(*i*) Capital Stores materials	48,44,945	
14,81,295	(*ii*) Operating stores materials	13,96,545	
	(*iii*) Stores relating to wiring and sales . .	Nil.	
	(*iv*) Stores, relating to manufacture of electrical plant	Nil	70,62,493
84,75,335			
	(5) Advances to Licensees		
	(6) Debtors for amounts paid on account of contracts		
14,04,269	in course of completion	12,84,774	
20,00,000	Advance for purchase of generating plant . .	23,71,221	
32,32,107	(7) Sundry debtors for Elecy. supplied . .	31,18,488	
13,14,936	(8) Other debtors	13,90,724	1,65207
	(9) Accounts receivable		
5,889	(*a*) Income tax	2,62,370	
6,89,040	(*b*) Advance deposits of Income tax under 18A .	6,89,040	
5,910	(*c*) Claims against Rlys. and Insurance Co. . .	16,913	
20,661	(*d*) Interest accrued and outstanding . . .	13,548	9,81,871
7,21,500			
	(10) Investments in statutory securities at cost (as per Schedule A attached showing their		
10,21,015	respective market value on the closing date of the account.)	11,54,447	
	(11) Special deposits.		
	(12) Balance of Bank—		
5,00,000	(*a*) Deposit Account.		
28,24,190	(*b*) Current Account . .	42,40,665	42,40,665
33,24,190			
2,220	(13) Cash in hand .	6,376	
150	Imprest with staff . .	175	6,551
2,370			
	Debit Balances		
	(14) Net Revenue & Appropriation account as per St. IX.		
70,714	(15) Deferred Revenue expenditure . .		82,284
8,16,79,243			8,90,31,672

As per our report of even date.

Sd/ V. SAHAI & CO.
Charterea Accountants.

DELHI STATE

Net Revenue and Appropriations Account

Corresponding figures of previous year	Particulars	Amount
	1. To balance from last account	
	2. To net operating deficit	
	3. To taxes on income and profits	
	4. To repayment of principal sums paid by the State Government under guarantees under Section 66.	
	(*a*) Principal (transferred to capital redemption reserve)	
6,20,000	5. To contribution to General Reserve	6,80,000
4,83,696	6. To contribution to tariffs and development reserve . . .	8,12,074
5,00,000	7. To transfer to taxation reserve	6,00,000
	8. To repayment of interest free loan (tarnsferred to capital redemption, reserve)	
4,88,695	9. To contribution to state revenue	8,12,074
	10. Balance carried to Balance Sheet.	
20,97,391		29,04,148

ELECTRICITY BOARD

for the year ending 31st March, 1957

Corresponding figures of previous year	Particulars	Amount
20,97,391	1. By balance from last account	
	2. By net operating surplus	29,04,148
	3. By other non-operating receipt to be specified *e.g.*, transfer from tariffs and development reserve	
	4. By balance carried to balance sheet	
20,97,391		29,04,148

As per our report of even date.

Sd/- S. Y. RAMASWAMI,
Senior Accounts Officer.

Sd/- V. AHAI & CO
hartered Accountants.

THE EASTERN SHIPPING

Balance Sheet as at

1955-56 Rs.	LIABILITIES	Rs.	Rs.	1956-57 Rs.
	SHARE CAPITAL :			
	Authorised :			
	10,00,000 Shares of Rs. 100 each .			10,00,00,000
	Subscribed:			
5,50,00,000	5,50,000 Shares of Rs. 100 each fully paid up			5,50,00,000
	RESERVES AND SURPLUS :			
2,95,121	Capital Reserve		2,95,121	
..	Revenue Reserves			
	General Reserve			
..	Transferred from specific Reserve .	16,50,000		
	Transferred this year . . .	9,50,000		
			26,00,000	
24,015	Profit and Loss Account . . .		55,733	
	Specific Reserves :			
11,50,000	Fleet Special Repairs Reserve . .	11,50,000		
200,000	Fleet Replacement Reserve . .	2,00,000		
3,00,000	Dividend Equalisation Reserve .	3,00,000		
		16,50,000		
	Less : Transferred to General Reserve	16,50,000	Nil	
19,39,731	Deferred Taxation Reserve:			
	As per last account	19,39,731		
	Set aside this year	26,00,000		
			45,39,731	
1,14,359	Investment Reserve		1,14,359	
				76,04,944
	SECURED LOAN :			
4,44,44,444	Loan from Government of India (on Mortgage of the part of the Company's Fleet as per Deed of Covenants of 11-3-1955) . . .			1,26,38,889
	CURRENT LIABILITIES AND PROVISIONS			
30,08,451	Sundry Creditors		85,83,395	
3,54,551	Ex-Managing Agents Commission .		1,43,811	
17,99,170	Indemnity Amount Refundable to Government of India in terms of Agreement of 18-8-1955 . .		..	
40,000	Provision for Gratuity		60,000	
2,01,482	Provision for Taxation		2,92,138	
1,01,041	Advances and Deposits		2,78,836	
	Provision for Depreciation (Depreciation Reserve) . . .	71,18,211		

CORPORATION LIMITED

31st March, 1957

1955-56 Rs.	ASSETS		Rs.	Rs.	1956-57 Rs.
	FIXED ASSETS (At cost)				
	Fleet:				
4,66,28,146	As per last account		4,66,28,146		
	Additions		1,06,63,913		
			5,72,92,059		
	Less—Depreciation to date		1,02,84,127		
					4,70,07,932
1,44,45,829	Payment on account of ships under construction				41,85,318
	Furniture :				
50,887	As per last account		50,887		
	Additions		8,429		
			59,316		
	Less—Depreciation to date		13,341		
				45,975	
55,944	Motor Cars and Cycles:				
	As per last account		55,944		
	Additions		19,016		
			74,960		
	Deductions		265		
			74,695		
	Less—Depreciation to date		25,397		
				49,298	
	INVESTMENTS (At cost)				5,12,88,523
	In Government Securities:				
	Quoted	*Face Value*			
20,02,500	3 % 1957	20,00,000	20,02,500		
8,08,798	3 % 1959-67	8,18,000	8,08,798		
9,85,468	3 ½% 1964	10,00,000	9,85,468		
29,87,813	3 % 1958	30,00,000	29,87,813		
	(Market value Rs. 67,67,720)			67,84,579	
	Unquoted	*Face Value*			
50,000	3 ½ % years Treasury Saving Deposit	50,000			
5,000	12 years National Saving Certificates	5,000		55,000	
					68,39,579
	(Out of the above Government Securities of the face value of Rs. 5,000 are deposited with the Collector of Customs, Bombay).				
26,086	Interest accrued on Investments				26,086
	CURRENT ASSETS				
98,266	Stores and Spare parts (As valued and certified by the Managing Director)			92,444	
22,74,543	Book Debts (Unsecured and considered good)			34,73,862	
					35,66,306
	LOANS & ADVANCES				
	(Unsecured and considered good)				
1,26,248	Sundry Advances			12,05,591	

THE EASTERN SHIPPING

Profit and Loss Account for the

1955-56 Rs.					1956-57 Rs.
	Less Allocated				
		Rs.			
	Fleet .	70,96,308			
	Furniture .	8,764			
	Motor Cars and Cycles	13,139			
			71,18,211		
71,18,211				Nil	
					93,58,180
23,75,623	UNFINISHED VOYAGES . .				7,91,794
35,459	SECURITY & GENERAL AVERAGE DEPOSITS (Per contra) . .				35,959
	Notes : (1) There are commitments in India for pending orders for New Tonnage for approximately Rs. 62,10,000 subject to final determination of cost of ships under construction.				
	(2) The figures for the year 1955-56 have been recast so as to make them comparable with the figures of the year 1956-57.				
8,85,01,658	TOTAL Rs. . .				8,54,29,766

As per annexed report.

Bombay, 28th October, 1957.

DALAL & SHAH,
Chartered Accountants.

CORPORATION LIMITED

year ended 31*st March* 1957.

1955-56 Rs.				1956-57 Rs.
..	Payments on account of Western Shipping Corporation (Private) Ltd., under same management—Maximum balance Rs. 19,134 (since received) .		8,661	
8,162	Balances with Customs and Port Trust		11,913	
6,166	Sundry Deposits		45,460	
68,154	Prepaid Expenses		8,01,368	
43,012	Advance Payment of Tax . .		..	
	Debts outstanding for more than 3 Months		43,52,329	54,25,322
	Suspense-Difference in the Books .			1,09
8,89,569	UNFINISHED VOYAGES . .			3,88,65
	SECURITY & GENERAL AVERAGE DEPOSITS (Per contra)			
16,459	Balances with Bank		16,959	
19,000	Investments		19,000	35,952
	CASH & OTHER BALANCES			
4,69,454	On hand and in transit . . .		3,06,401	
	With Banks :			
15,60,068	On Current Accounts . . .		25,46,355	
1,46,00,000	On Call Deposits .	1,44,00,000		
2,76,086	Interest accrued on Call Deposits .	6,05,491		
			1,50,05,491	1,78,58,247
8,85,01,658	TOTAL Rs . .			8,54,29,766

B. B. RAOTE,
Accountant.

R.R. SAKSENA, *Chairman/ Managing Director.*
NAGENDRA SINGH
A.V. VENKATESWARAN
R. VARADACHARI
S.D. NARGOLWALA } *Director.*

THE EASTERN SHIPPING

Profit and Loss Account for the

1955-56 Rs.			1956-57 Rs.
19,56,232	Salaries, Wages, Bonus	23,09,227	
10,000	Gratuity Provision	20,000	
76,307	Company's contribution to Staff Provident, Fund Insurance, etc.	75,930	
	Staff Welfare Expenses	230	
			24,05,387
..	Managing Director's Remuneration		28,324
34,55,755	Fuel Oil and Water charges	40,47,131	
4,65,046	Stores and Spares	6,21,707	
9,12,768	Marine Dues, Light Dues, Customs Charges etc.	11,02,009	
45,35,727	Stevedoring, Claims, Transhipment, Victualling, Sundry Steamer charges, Wireless charges etc.	52,02,184	
17,27,164	Repairs, Surveys, Dry Dock charges etc.	34,67,032	
8,42,924	Insurance and Protection Club Fees	9,92,295	
			1,54,32,358
12,14,782	Commission, Brokerage and Agency Fees		15,22,280
3,33,246	Establishment charges (including Managing Director's Travelling Expenses Rs. 4,980/-)	3,52,360	
23,741	Rents	29,675	
300	Rates and Taxes	1,200	
			3,83,235
4,06,250	Interest on Government Loan		3,61,111
1,500	Audit Fees		1,500
8,847	Director's Fees and Travelling Expenses		5,806
3,54,551	Proportionate Commission to ex-Managing Agents		1,43,811
29,95,812	Depreciation		32,04,746
1,760	Loss on a vehicle written off		173
2,00,000	Provision for Taxation	2,30,000	
	Less—Adjustment on account of Tax deducted at source	55,000	
			1,75,000
31,71,038	Profit for the year carried down		35,12,468
2,26,93,750	TOTAL RS.		2,71,76,199
47,853	Balance brought forward from last account		..
9,00,000	Deferred Taxation Reserve		26,00,000
4,00,000	Fleet Special Reserve		..
..	General Reserve		9,50,000
17,99,170	Indemnity amount refundable to Government of India in terms of Agreement of 18-8-1955		..
24,015	Balance carried to Balance Sheet		55,733
31,71,038	TOTAL RS.		36,05,733

As per annexed report.

Bombay, 28th October, 1957.

DALAL & SHAH
Chartered Accountants.

CORPORATION LIMITED

year ended 31-3-1957.

1955-56 Rs.			1956-57 Rs.
2,20,84,297	Freight, Passage Money, etc.		2,63,87,866
	Interest :		
5,51,695	On Government Securities (less tax)	1,56,286	
	On Bank Deposits & Current Accounts	5,83,564	7,39,850
57,756	Miscellaneous Receipts		48,475
2	Transfer Fees		8
2,26,93,750	TOTAL RS.		2,71,76,199
..	Balance brought forward from last account		24,015
..	Excess Provision made in previous years no longer required		69,250
31,71,038	Profit for the year brought down		35,12,468
31,71,038	TOTAL RS.		36,05,733

B.B. RAOTE,
Accountant.

R.R. SAKSENA, *Chairman/Managing Director.*
NAGENDRA SINGH
A. V. VENKATESWARAN
R. VARADACHARI
S. D. NARGOLWALA
Directors.

THE WESTERN SHIPPING

Balance Sheet as at

Liabilities	Rs.	Rs.
SHARE CAPITAL :		
Authorised :		
10,00,000 Equity shares of Rs. 100 each		10,00,00,000
Subscribed		
10,00,000 Equity shares of Rs. 100 each—Rs. 26.994424 per share called up		2,69,94,424
RESERVES AND SURPLUS :		
Profit and Loss Account		20,955
CURRENT LIABILITIES :		
Sundry Creditors	2,59,220	
Advance payment of Charter Hire	19,420	2,78,640
TOTAL Rs. .		2,72,94,019

As per our Report attached

A. F. FERGUSON AND CO.

Chartered Accountants.

Bombay, 6th November, 1957.

CORPORATION (PRIVATE) LIMITED

31st March, 1957

ASSETS

	Rs.	Rs.	Rs.
FIXED ASSETS :			
Fleet :			
At cost	90,00,910		
Depreciation	1,51,483	88,49,427	
Payments on account of ships under construction		1,20,65,082	2,09,14,509
CURRENT ASSETS :			
Bar and Shop Stores (as valued and certified by a Director)			1,468
LOANS AND ADVANCES :			
(Unsecured, considered good, unless otherwise stated) :			
Prepaid Expenses		4,080	
Advances (including Rs. 3,815 considered doubtful)		3,81,433	3,85,513
CASH AND BANK BALANCES :			
On hand		27	
With Banks on Current Accounts . .		59,92,502	59,92,529
TOTAL Rs. .			2,72,94,019

J. D. MEHTA,
Account

C. P. SRIVASTAVA,
General Manager/Secretary.

NAGENDRA SINGH *Chairman/Managing Director.*

K. B. LALL
S. D. NARGOLWALA
P. R. SUBRAMANIAN
} *Directors.*

THE WESTERN SHIPPING

Profit and Loss Account for the period from 22nd June,

Dr.

	Rs.	Rs.
To Salaries and Wages (Including Rs. 2,000 paid to Secretary)		54,081
To Stores, Victualling, etc.	64,936	
To Wireless, Sundry Steamer charges, etc.	12,416	
To Repairs, Survey Fees, etc.	38,433	
To Insurance	32,968	1,48,753
To Establishment charges		12,811
To Audit Fees		500
To Depreciation		1,51,483
To Preliminary Expenses written off		3,026
To Profit for the year carried to Balance Sheet		20,955
TOTAL Rs.		3,91,609

As per our Report attached.

A. F. FERGUSON AND CO.

Chartered Accountants.

Bombay, 6th November, 1957.

CORPORATION (PRIVATE) LIMITED.

1956 (*date of incorporation*) *to* 31*st March*, 1957.

Cr.

	Rs.
By Charter Hire	3,88,987
By Miscellaneous Receipts	2,622
TOTAL Rs. .	3,91,609

J. D. MEHTA,
Accountant.

C. P. SRIVASTAVA,
General Manager/Secretary.

NAGENDRA SINGH, *Chairman/Managing Director.*

K. B. LALL
S. D. NARGOLWALA
P. R. SUBRAMANIAN
} *Directors.*

AIR INDIA INTERNATIONAL
Balance Sheet

Capital and Liabilities	Rupees	31-3-1957 Rupees	31-3-1956 Rupees
1 CAPITAL :—			
3½ per cent. Air-India International Corporation Bonds (1953—58) of the Face Value of Rs. 2,54,02,500	2,54,02,500	..	2,54,02,500
Amount received from Government:			
During previous years Rs. 7,39,90,952			
Add : During the year Rs. 2,75,00,000			
	10,14,90,952		7,39,90,952
		12,68,93,452	9,93,93,452
2. LOANS AND ADVANCES (Unsecured) :—			
Amount received from Government of India as loan for Staff Housing Colony at 4¾ per cent. repayable in fifteen equated annual instalments (with an option of earlier repayment). Amount as per last Balance Sheet	30,00,000		
Less : Repayment of 1st. instalment .	1,41,663		
	28,58,337		30,00,000
Interest accrued on above . . .	2,604		3,123
	28,60,941		30,03,123
Interim advance given by Government of India for the Boeing-707 Project . .	25,50,000		..
		54,10,941	30,03,123
3. 4 per cent. DEBENTURES (1949—59) :—			
(Taken over from Air-India International Limited)	9,04,000		9,04,000
Interest accrued on above (Since redeemed on 30th April 1957)	11,987		12,053
		9,15,987	9,16,053
RESERVES			
4. CAPITAL RESERVE :—			
Balance as per last Balance Sheet . .		12,06,445	12,06,445
5. GENERAL RESERVE :—			
Balance as per last Balance Sheet . .	18,50,000		15,00,000
Add : Amount transferred from Staff Leave Reserve	..		1,77,964
Amount transferred from Appropriation Account	..		1,72,036
		18,50,000	18,50,000
6. EQUIPMENT RENEWALS RESERVE :—			
Amount transferred from Appropriation Account		36,00,000	..
Carried forward .		13,98,76,825	10,63,69,073

CORPORATION
as at 31st March, 1957

Property and Assets	Rupees	31-3-1957 Rupees	31-3-1956 Rupees
16. CAPITAL EXPENDITURE AT COST :—			
As per Schedule A Annexed (Depreciation as per Contra)		11,35,89,669	7,60,42,594
17. CAPITAL WORKS-IN-PROGRESS .		4,45,236	5,99,144
18. BOEING-707 PROJECT :—			
Advances to Manufacturers and other Charges		55,21,865	..
19. DEVELOPMENT EXPENDITURE :—			
Expenditure incurred on setting up Outstation Offices, Technical Training Developing Far Eastern Routes and Decoration of Booking Offices etc.:			
As per last Balance Sheet . . .	9,16,793		9,14,825
Add : Expenditure during the year .	2,98,629		4,01,968
	12,15,422		13,16,793
Less : Amount written off during the year	4,75,000		4,00,000
		7,40,422	9,16,793
20. SPARE PARTS, CONSUMABLE STORES AND TOOLS :—			
As per Inventories certified by the General Manager		3,23,27,121	2,63,69,096
21. GOODS-IN-TRANSIT . . .		25,03,434	53,08,516
22. BOOK DEBTS :—			
(*a*) Considered Good—Unsecured : Sundry Debtors for Passages, Freight, etc. .	2,11,05,196		1,43,00,505
(*b*) Considered Doubtful : Sundry Debtors for Passages, Freight, etc. . .	89,253		1,51,892
		2,11,94,449	1,44,52,397
23. ADVANCES :—			
(*a*) Loans to Staff	86,106		44,200
(*b*) Prepaid expenses, including Insurance, Travelling Advances, etc. . . .	32,50,891		28,31,647
	33,36,997		28,75,847
Carried forward . .		17,63,22,196	12,36,88,540

AIR INDIA INTERNATIONAL
Balance Sheet

Capital and Liabilies	Rupees	31-3-1957 Rupees	31-3-1956 Rupees
Brought forward.		13,98,76,825	10,53,69,078
7. INSURANCE FUND :—			
Balance as per last Balance Sheet . .	12,00,000		10,00,000
Add : Interest accrued upto 31-3-1957 on Insurance Fund Investment . . .	40,259		7,740
Amount set aside under self-insurance scheme for carrying the risk in respect of crew from 1-1-57	18,000		..
Amount transferred from Appropriation Account	1,56,015		1,94,061
	14,14,274		12,01,801
Less : Uninsured losses during the year .	14,274		1,801
		14,00,000	12,00,000
8. DEFERRED TAXATION RESERVE :—			
Balance as per last Balance Sheet . .	18,90,511		16,05,000
Add : Provision made during the year .	41,42,064		2,90,650
	60,32,575		18,95,650
Less : Tax paid	32,575		5,139
		60,00,000	18,90,511
9. PROVISIONS :—			
(*a*) For Depreciation :—			
Balance as per last Balance Sheet . .	1,21,81,217		56,73,446
Add : Provision made during the year .	94,02,567		72,50,000
	2,15,83,784		1,29,23,446
Less : Adjusted on account of assets sold or scrapped	2,33,784		7,42,229
		2,13,50,000	1,21,81,217
(*b*) For Obsolescence :—			
Balance as per last Balance Sheet . .	46,63,787		30,99,395
Add : Provision made during the year . .	25,36,786		18,00,000
	72,00,573		48,99,395
Less : Cost of obsolete spares written off .	5,50,573		2,35,608
		66,50,000	46,63,787
Carried forward .		17,52,76,825	12,63,04,588

CORPORATION
as at 31st March 1957

Property and Assets	Rupees	31-3-1957 Rupees	31-3-1956 Rupees
Brought forward.		17,63,22,196	*12,36,88,540*
23. ADVANCES—*contd.*	33,36,997		*28,75,847*
(*c*) Sundry Deposits	4,61,747		*4,41,744*
(*d*) For purchase of Aircraft and Equipment	..		*92,57,642*
(*e*) Staff Housing Colony under construction . . Rs. 38,96,721 *Less* : Payment received from M/s. I.A.C. . Rs. 6,00,000	32,96,721		*1,70,749*
(*f*) Advance payments to Contractors etc. for Centralised Workshop . . .	3,15,512		..
		74,10,977	*1,33,45,982*
24. INVESTMENTS AT COST :—			
As per Schedule 'B' annexed . . .	82,615		*72,916*
Interest accrued on above	198		*181*
		82,813	*73,097*
25. CASH AND BANK BALANCES :—			
(*a*) Cash (including cheques) in hand .	5,87,833		*2,58,644*
(*b*) Cash-in-transit	3,07,735		*2,16,846*
(*c*) With Banks on Current Account .	52,57,468		*38,58,590*
(*d*) Call Deposits with Banks . . .	60,00,000		*30,00,000*
(*e*) With Foreign Agents . . .	1,47,205		*85,788*
		1,23,00,241	*74,19,868*
26. INTEREST ACCRUED ON CALL DEPOSITS		70,392	*48,159*
27. INSURANCE FUND INVESTMENT :—			
Call Deposit with Bank	12,25,530		*10,00,000*
Interest accrued on above	22,469		*7,743*
		12,47,999	*10,07,740*
28. ASSETS EARMARKED AGAINST EMPLOYEES' DEPOSITS :—			
(*a*) Government Securities etc. (face value)	66,500		*66,500*
(*b*) Fixed Deposit with the Central Bank of India Ltd., Bombay	5,000		*5,000*
(*c*) With the Central Bank of India Ltd., on Current Account	31,603		*13,807*
		1,03,103	*85,307*
Carried forward. .		19,75,37,721	*14,56,68,693*

AIR INDIA INTERNATIONAL

Balance Sheet

Capital and Liabilities	Rupees	31-3-1957 Rupees	31-3-1956 Rupees
Brought forward		17,52,76,825	*12,63,04,588*
9. PROVISIONS—*contd.*			
(*c*) For Doubtful Debts :—			
Balance as per last Balance Sheet . .	1,55,000		*76,000*
Add : Provision made during the year .	46,878		*79,000*
	2,01,878		*1,55,000*
Less : Bad Debts written off . . .	51,878		...
		1,50,000	*1,55,000*
10. LIABILITIES :—			
(*a*) For Goods Supplied	55,05,867		*51,02,620*
(*b*) For Expenses	50,59,329		*64,66,549*
(*c*) For Other Finance	49,76,386		*37,19,825*
(*d*) For Interest payable and accrued on A.I.I. Bonds	1,49,317		*1,71,983*
(*e*) For Assets taken over from M/s I.A.C.	5,78,376		...
		1,62,69,275	*1,54,60,977*
11 EMPLOYEES' DEPOSITS :—			
(As per Contra, please see Item 28) . .		1,03,103	*85,307*
12. STAFF WELFARE FUND :—			
Balance as per last Balance Sheet . .	30,000		*30,000*
Less : Advance (repayable) . . .	544		*284*
		29,456	*29,716*
13. DEPOSITS FROM SUNDRY PARTIES :—			
(As per Contra, please see Item 29) . .		33,497	*28,226*
14. ADVANCE PAYMENTS :—			
Passenger Receipts, etc.		55,87,856	*35,97,729*
15. PROFIT AND LOSS ACCOUNT :—			
Balance as per Appropriation Account .		1,21,206	*35,379*
TOTAL. . . .		19,75,71,218	*14,56,96,931*

CORPORATION

as at 31st March, 1957

Property and Assets	Rupees	31-3-1957 Rupees	31-3-1956 Rupees
Brought forward		19,75,37,721	*14,56,68,693*
29. ASSETS EARMARKED AGAINST DEPOSITS FROM SUNDRY PARTIES :—			
With Central Bank of India Ltd., Bombay, on Current Account		33,497	*28,220*
TOTAL		19,75,71,218	*14,56,96,913*

AIR INDIA INTERNATIONAL

Profit and

For the year ended

Particulars	Rupees	1956-57 Rupees	1955-56 Rupees
1. *A. Flying Operations* :—			
(*a*) Pay, allowances and Provident Fund Contributions	35,06,452		29,40,356
(*b*) Personnel insurance	47,090		35,773
(*c*) Other Staff Costs	12,76,517		9,47,579
(*d*) Fuel and Oil	* 1,81,46,627		1,52,61,295
(*e*) Aircraft insurance	† 21,44,219		24,00,860
(*f*) Landing Fees	15,02,616		11,25,807
(*g*) Hire of Aircraft	47,639		48,035
(*h*) Other Operational Expenses	10,17,187		5,89,872
		2,76,88,347	2,33,49,577
B. Training :—			
(*a*) Pay, Allowances and Provident Fund Contributions	1,01,270		82,025
(*b*) Fuel, Landing Fees and Cost of Materials	11,68,081		6,73,151
(*c*) Training by Third Parties	6,493		1,08,999
		12,75,844	8,64,175
2. *Flight Equipment Maintenance and overhaul* :—			
(*a*) Pay, allowances and Provident Fund Contributions	68,14,377		56,15,605
(*b*) Personnel insurance	4,019		3,420
(*c*) Other Staff Costs	4,26,022		3,27,493
(*d*) Materials consumed including Outside Repairs and Services	85,92,056		48,21,150
(*e*) Insurance of Equipment and Stores	1,44,277		1,22,211
(*f*) Other Engineering Expenses	9,56,807		7,69,163
		1,69,37,558	1,16,59,042
3. *Traffic sales and Publicity* :—			
(*a*) Pay, Allowances and Provident Fund Contributions	41,93,856		31,48,075
(*b*) Personnel Insurance	15,498		9,017
(*c*) Other Staff Costs	6,58,736		5,61,830
(*d*) Booking Agency Commission	57,70,949		40,01,623
(*e*) Publicity and Sales Promotion	35,59,858		28,02,449
(*f*) Charges for handling by other Operators	18,28,812		12,52,554
(*g*) Other Traffic Expenses including Rent, Rates, Printing and Stationery, Postage and Telegrams, Telephones, etc.	41,41,704		28,30,947
		2,01,69,413	1,46,06,495
4. *Passenger and Cargo Service* :—			
(*a*) Pay, Allowances and Provident Fund Contributions	10,21,642		7,94,519
(*b*) Personnel Insurance	14,644		11,061
(*c*) Other Staff Costs	6,12,907		4,72,059
(*d*) Food Service including Hotel Accommodation	24,59,565		17,58,295
(*e*) Liability Insurance	3,58,244		2,57,096
(*f*) Other Expenses	4,65,443		4,64,299
		49,32,445	37,57,329
Carried forward		7,10,03,607	5,42,36,618

*Includes a credit of Rs. 6·27 lakhs relating to the previous year for refund of taxes at Beirut.

†Includes a credit of Rs. 6·94 lakhs for insurance rebate, out of which Rs. 1·21 lakhs relate to the previous year.

CORPORATION

Loss Account

31st *March*, 1957

Particulars	Rupees	1956-57 Rupees	1955-56 Rupees
18. *Traffic Revenue* :—			
(*a*) Passengers	6,66,45,274		4,69,12,126
(*b*) Excess Baggage	21,40,192		15,92,562
(*c*) Mail	1,43,50,826		1,12,13,298
(*d*) Freight	91,24,932		58,89,360
(*e*) Charters	13,05,174		4,10,672
		9,35,66,398	6,60,18,018
19. *Other Revenue* :—			
(*a*) Commission earned from Other Airlines	13,61,245		8,37,926
(*b*) Handling and Servicing Receipts	4,81,047		2,15,172
(*c*) Miscellaneous Revenue	10,79,002		5,82,326
		29,21,294	16,35,424
20. TOTAL—OPERATING REVENUE		9,64,87,692	6,76,53,442
Non-Operating Revenue			
21. Interest	1,19,007		2,12,121
22. Profit (excluding capital surplus) on Assets sold, scrapped or lost in Accident (Represents write back of Depreciation Previously Provided)	..		7,55,853
		1,19,007	9,67,974
23. TOTAL REVENUE		9,66,06,699	6,86,21,416
Carried over		9,66,06,699	6,86,21,416

AIR INDIA INTERNATIONAL

Profit and Loss

For the year ended 31st

Particulars	Rupees	1956-57 Rupees	1955-56 Rupees
Brought forward		7,10,03,607	5,42,36,618
5. *Surface Transport*—			
(*a*) Pay, Allowances and Provident Fund Contributions	3,68,225		2,73,579
(*b*) Insurance	39,938		32,712
(*c*) Other Staff Costs	21,841		16,199
(*d*) Fuel and Oil	1,51,167		1,22,087
(*e*) Materials and Outside Repairs	1,23,040		98,500
(*f*) Hire of Transport	2,44,107		1,44,036
(*g*) Other Expenses	1,08,131		64,797
		10,56,449	7,51,910
6. *General Administration* —			
(*a*) Pay, Allowances, and Provident Fund Contributions	20,22,762		17,52,027
(*b*) Insurance	7,751		7,472
(*c*) Other Staff Costs	1,24,460		94,528
(*d*) Office Expenses	6,19,662		3,86,034
(*e*) Interest	..		1,220
(*f*) Board Members' Fees and Expenses	9,644		8,335
(*g*) Audit Fees and Expenses	50,000		33,241
(*h*) Staff Welfare Expenses	1,98,607		1,98,647
		30,32,886	24,81,504
7. Development Expenditure written off		4,75,000	4,00,000
8. Net Loss on Assets sold or scrapped		1,43,436	.
9. Provision for Doubtful Debts		46,878	79,000
10. Depreciation		94,02,567	72,50,000
11. Obsolescence of Spares		25,36,786	18,00,000
12. TOTAL—OPERATING EXPENSES		8,76,97,609	6,69,99,032
Non-Operating Expenses			
13. Interest on Debentures	36,094		36,160
14. Interest on Air-India International Corporation Bonds	8,89,087		9,17,117
		9,25,181	9,53,277
15. Provision for Deferred Taxation		41,42,064	2,90,650
16. TOTAL—EXPENSES		9,27,64,854	6,82,42,959
17. Profit for the year, carried to Appropriation Account		38,41,845	3,78,457
TOTAL		9,66,06,699	6,86,21,416

NOTE :—

TOTAL—OPERATING REVENUE (Pl. see item 20)	9,64,87,692	6,76,53,442
Less. —TOTAL OPERATING EXPENSES (Pl. see item 12)	8,76,97,609	6,69,99,032
Operating Profit	87,90,083	6,54,410

CORPORATION

Account

March, 1957

Particulars	Rupees	1956-57 Rupees	1955-56 Rupees
Brought forward.		9,66,06,699	6,86,21,416
TOTAL		9,66,06,699	6,86,21,416

AIR INDIA INTERNATIONAL

Appropriation

As at 31st March

Particulars	Rupees	31-3-1957 Rupees	31-3-1956 Rupees
Transferred to Equipment Renewals Reserve .	36,00,000		..
Transferred to Insurance Fund	1,56,015		1,94,061
Transferred to General Reserve . . .	..		1,72,036
		37,56,015	66,09
Balance transferred to Balance Sheet . . .		1,21,206	35,376
TOTAL . .		38,77,221	4,01,473

SCHEDULE 'A' ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1957.

CAPITAL EXPENDITURE AS AT 31 ST MARCH, 1957.

Particulars	Cost as at 31-3-1956 Rupees	Additions & transfers during the year Rupees	Deductions & transfers during the year Rupees	Gross block as at 31-3-1957 Rupees
1. Airframes	4,36,38,301	2,50,74,229	41,700	6,86,70,830
2. Aero Engines and "Quick Engine Change" Units	2,19,21,660	1,00,55,170	5,22,946	3,14,53,884
3. Propellers	21,75,556	6,03,048	5,05,744	22,72,860
4. Workshop Equipment and instruments, Ramp Equipment, Machinery and Plant	35,51,119	11,56,938	22,367	46,85,690
5. Furniture and Fixtures . .	13,98,279	6,98,572	18,699	20,78,152
6. Vehicles	14,88,332	5,99,527	72,191	20,15,668
7. Electrical Fittings and Installations .	4,25,380	2,19,997	1,372	6,44,005
8. Typewriters and Office Appliances	4,84,486	2,18,778	4,804	6,98,460
9. Buildings	9,08,628	99,417	11,404	9,96,641
10. Miscellaneous	50,853	22,626	..	73,479
GRAND TOTAL . .	7,60,42,594	3,87,48,302	12,01,227	11,35,89,669

CORPORATION
Account
1957.

Particulars	31-3-1957 Rupees	31-3-1956 Rupees
Balance as per last year's Account	35,376	23,016
Balance brought down from Profit and Loss Account	38,41,845	3,78,457
TOTAL	38,77,221	4,01,473

SCHEDULE 'B' ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1957.
INVESTMENTS AT COST AS AT 31ST MARCH, 1957.

Particulars	31-3-1957 Rupees	31-3-1956 Rupees
a) 100 Class 'A' Shares of £ 1 each in International Aeradio Ltd.	1,336	1,336
(*b*) 22 Shares of Belgian Frs. 200 each in S.I.T.A. (Société International de Télé Communications Aeronautique)	419	381
(*c*) 3,199 Shares of Ticals 100 each in Aeronautical Radio of Siam Ltd.	71,089	62,222
(*d*) Tokyo Government Telephone Bonds of the face value of Yens 360,000	4,762	3,968
(*e*) The Central Bank of India, Ltd. 3 years Cash Certificates of Rs. 5,400 (Date of Maturity 26-11-1957)	5,009	5,009
TOTAL	82,615	72,916

INDIAN AIRLINES

Balance Sheet as

CAPITAL AND LIABILITIES

Previous Year		Rs.	Rs.
	1. CAPITAL :		
	(a) *Liability to pay Compensation under the Air Corporations Act*, 1953		
3,19,44,991	Amount as per last Balance Sheet .	2,63,66,027	
55,78,964	*Less* : Cash Compensation paid during the year	31,356	
2,63,66,027	Balance	2,63,34,671	
	Made up of		
2,62,30,960	(i) Bonds issued	2,62,30,960	
1,35,067	(ii) Cash Compensation payable .	1,03,711	
2,63,66,027			2,63,34,671
4,95,02,000	(b) Capital received from Govt. of India .		7,03,15,000
7,58,68,027	TOTAL CAPITAL . . .		9,66,49,671
	2. OPERATING RESERVES :		
	(a) *Self Insurance Reserve* :		
2,66,143	Balance as per last Balance Sheet .	6,00,911	
4,84,167	Additions during the year . .	5,00,124	
7,50,310		11,01,035	
1,49,399	*Less* : Write off during the year .	85,385	
6,00,911			10,15,650
	(b) *Obsolescene Reserve* :		
35,01,000	Balance as per last Balance Sheet .	28,02,000	
6,99,000	*Less* : Adjusted during the year .	6,99,000	
28,02,000			21,03,000
	3. DEPRECIATION :		
67,16,523	Balance as per last Balance Sheet .	1,23,99,757	
2,17,485	*Less* : Write off during the year .	8,18,404	
66,99,038		1,15,81,353	
59,00,719	*Add* : Provision made during the year	68,04,426	
1,23,99,757			1,83,85,779

CORPORATION
at 31st March, 1957

PROPERTY AND ASSETS

Previous Year		Rs.	Rs.
	9. INTANGIBLE ASSETS :		
	(b) *Leasehold Land* :		
2,87,080	Balance as per last Balance Sheet .	2,86,629	
451	*Less* : Write off during the year .	251	
2,86,629			2,86,378
15,86,827	(b) Difference due to Devaluation of Pakistan Currency . . .		13,07,045
	10. DEFERRED CHARGES :		
	(a) Viscount Training Programme .	2,08,272	
	(b) Other Training Expenses . .	5,03,304	
2,60,424	(c) Intercharge Accounts (Subject to Adjustments)	5,25,936	
	(d) Other Deferred charges . . .	1,900	
2,60,424			12,39,412
	11. PROPERTY AND EQUIPMENT :		
4,47,74,539	At Cost as per Schedule I . .		4,81,83,891
5,11,749	12. INVESTMENTS :		2,78,160
	13. ASSETS EARMARKED		
1,00,600	(a) Employees Deposits . . .	10,000	
12,000	(b) Deposits from Agents and others	64,750	
1,12,600			74,750
	14. CURRENT ASSETS :		
2,50,97,216	(a) Spares and Stores		3,36,25,468
	(b) *Book Debts* :		
1,86,83,764	Amount as per Books . . .	1,85,65,260	
3,00,000	*Less* : Provision for Bad and Doubtful Debts.	3,00,000	
1,83,83,764			1,82,65,260

INDIAN AIRLINES

Balance Sheet as

CAPITAL AND LIABILITIES

Previous Year		Rs.	Rs.
	4. DEFERRED CREDITS :		
	(a) Profit on Redemption of Shares of Ex-airlines	16,800	
	(b) Other Deferred Credits . .	1,472	18,272
	5. LIABILITY FOR DEPOSITS :		
4,05,303	(a) Liability for Contract Advances, Agents Deposits, Employees Securities, Deposits of Previous Airlines etc.	7,06,634	
..	(b) Other Liabilities	29,793	7,36,427
2,76,83,147	6. LONG TERM LOANS FROM GOVERNMENT OF INDIA . . .		3,86,19,304
	7. CURRENT LIABILITIES :		
24,63,678	(a) Liability for Goods supplied . .	20,93,347	
1,56,10,112	(b) Liability for Expenses . . .	1,39,50,513	
33,94,571	(c) Liability for other Finance . .	20,08,260	
20,00,000	(d) Unearned Transportation Revenue .	23,00,000	
16,37,757	(e) Airlines Traffic Accounts Payable .	18,66,240	
3,86,347	(f) Accrued Interest Payable . .	2,78,215	2,24,96,575
2,54,92,465			
	8. STAFF PROVIDENT FUND :		
1,28,73,914	(a) Employees' and Employers' Contribution including interest . . .	1,35,25,746	
3,77,976	(b) Other Liabilities and Credit Balances .	5,05,311	
1,32,51,890		1,40,31,057	
	Less : Amount transferred to Trustees of the Provident Fund . . .	1,40,31,057	Nil
7,64,622	LIABILITY FOR EMPLOYEES PROVIDENT FUND . .		5,27,146
15,92,68,122	TOTAL RUPEES . .		18,05,51,824

CONTINGENT LIABILITY.—There is a claim of about Rs. 7,50,000 for Customs Duty on Aviation Fuel and Oil for International Flights. This claim is not accepted by the Corporation.

CORPORATION

at 31*st March,* 1957—(*Contd.*)

PROPERTY AND ASSETS

Previous Year Rs.		Rs.	Rs.
63,840	(c) Advances to staff		48,965
23,77,982	(d) Advances for purchase of Aircraft and construction of Buildings		1,50,48,368
25,44,390	(e) Advances for other purchases		17,57,911
2,02,361	(f) Advances for Expenses		2,04,887
1,26,438	(g) Prepaid Expenses		10,76,418
11,74,243	(h) Deposits		8,77,056
7,345	(i) Accrued Interest Receivable		42,077
38,634	(j) Suspense Account		42,089
1,95,63,896	(k) Cash and Bank Balances		18,41,14,755
	15. STAFF PROVIDENT FUND :		
1,03,39,257	(a) Investments including Deposits	1,18,33,691	
16,64,201	(b) Other Assets	19,08,751	
12,48,432	(c) Cash and Bank Balances	2,88,615	
1,32,51,890		1,40,31,057	
	Less : Amount transferred to Trustees of the Provident Fund	1,40,31,057	Nil
	16. LOSSES :		
1,69,63,320	As per last Balance Sheet	2,89,03,355	
1,19,40,035	*Add* : Loss for the year	1,08,78,859	
2,89,03,355			3,97,82,214
15,92,68,122	TOTAL RUPEES		18,05,51,824

Sd./- J. S. PARAKH,
Financial Comptroller.

Sd./- SHANKAR PRASAD,
Chairman.

INDIAN AIRLINES CORPORATION

SCHEDULE I

Schedule of Property and Equipment attached to and forming part of the Balance Sheet as at 31st March, 1957.

	Cost as at 31-3-56 as per last Balance Sheet	Deductions during the year	Additions during the year	Gross Block at Cost as at 31-3-57
	Rs.	Rs.	Rs.	Rs.
Land	4,32,434	..	..	4,32,434
Buildings	7,03,161	2,500	49,548	7,50,209
Airframes	2,13,30,198	3,10,769	7,42,235	2,17,61,664
Aeroengines	1,11,83,276	1,08,492	10,39,945	1,21,14,729
Workshop Plant, Machinery & Equipment	23,82,605	5,165	3,80,912	27,58,352
Vehicles	26,01,749	2,53,562	15,41,140	38,89,327
Furniture & Fixtures	18,13,272	3,07,318	2,88,421	17,94,375
Other Property & Assets	34,24,458	3,00,647	3,01,980	34,25,791
Tools	9,03,386	4,446	1,22,100	10,21,040
Property not put into Commission	..	..	2,35,970	2,35,970
TOTAL Rs.	4,47,74,539	12,92,899	47,02,251	4,81,83,891

SCHEDULE II

Schedule of Provision for Depreciation on Property & Equipment attached to and forming part of the Balance Sheet as at 31st March, 1957.

	Provision as on 31-3-1956 as per last Balance Sheet	Debits for amounts written back	Provision made during the year	Provision as on 31-3-1957
	Rs.	Rs.	Rs.	Rs.
Buildings	1,46,729	61,216	35,558	1,21,071
Airframes	54,54,474	2,06,442	30,84,510	83,32,542
Aeroengines	30,92,183	56,911	18,59,728	48,95,000
Workshop Plant, Machinery & Equipment	6,91,456	2,803	3,20,743	10,09,396
Vehicles	10,36,809	1,58,454	6,54,086	15,32,441
Furniture & Fixtures	7,73,609	1,64,826	2,87,905	8,96,688
Other Property	8,11,524	1,67,752	3,70,264	10,14,036
Tools	3,92,973	..	1,91,632	8,84,605
TOTAL Rs.	1,23,99,757	8,18,404	68,04,426*	1,83,85,779

*Charged to Profit & Loss Account 1956/57 . . Rs. 67,94,030

Charged to Prior Period Adjustments in 1956/57 . Rs. 10,396

Rs. 68,04,426

INDIAN AIRLINES CORPORATION

Profit & Loss Account for the year ended 31st March, 1957

OPERATING REVENUES

Previous Year Rs.		Rs.	Rs.
	Scheduled Services :		
4,39,66,703	Passengers	5,04,55,334	
1,85,78,788	Excess Baggage & Freight	1,81,50,449	
86,42,038	Mail	93,60,639	
7,11,87,529			7,79,66,422
70,24,592	Non-Scheduled Services		48,54,817
	Other Transportation Revenue :		
3,40,845	Cancellation Fees	4,85,430	
4,32,588	Statistical & Cartage Charges	5,12,099	
9,33,541	Pool Revenue from A. I. I. C.	12,40,608	
17,06,974			22,38,137
9,41,321	Incidental Revenue—Net		10,75,906
8,08,60,416		Rs.	8,61,35,282

OPERATING EXPENSES

Previous Year Rs.		Rs.	Rs.
4,57,91,564	Flying Operations	4,81,94,095	
1,89,06,363	Flight-Equipment Maintenace Repair & Overhaul	1,99,62,325	
28,73,900	Passenger, Cargo & Mail Services	27,63,105	
29,00,183	Surface Transport	28,18,742	
59,37,636	Traffic and Sales	57,15,957	
20,39,175	Booking Agency Commission	19,74,961	
4,51,521	Advertisement and Publicity	6,90,941	
73,66,502	General Administration	72,63,615	
8,62,66,844			8,93,83,741
59,00,719	Depreciation (Details as per Schedule II to Balance Sheet)		67,94,030
9,21,67,563		Rs.	9,61,77,771
1,13,07,147	Operating Loss		1,00,42,489
6,32,888	Non-Operatinge Expenditure-Net	Rs.	8,36,370
1,19,40,035	Total loss	Rs.	1,08,78,859

HINDUSTAN SHIPYARD

Balance Sheet as at

1955-56 Rs.	LIABILITIES			1956-57 Rs.
	SHARE CAPITAL :			
	AUTHORISED:			
10,00,00,000	1,00,000 ordinary shares of Rs. 1,000/- each			10,00,00,000
	SUBSCRIBED:			
4,52,75,000	45,275 Ordinary shares of Rs. 1,000/- each fully called up.			4,52,75,000
	Of the above shares 27,285 shares are allotted as fully paid up pursuant to Contracts without payments being received in cash.			
	LOANS:			
	SECURED:			
1,81,40,835	Advances against ships under construction and against orders for ships (Note 1)		1,46,69,835	
	UNSECURED:			
1,44,68,850	(*i*) Cash Credit with State Bank of India . .		1,25,75,673	
	(*ii*) Government of India, Ministry of Production .	Rs.		
	87,54,000 (a) Subsidy for sihps paid in advance .	1,77,54,000		
23,15,571	64,38,429 *Less*: Estimated subsidy on completed ships (Note 9)	1,23,65,494	53,88,506	
1,00,000	(b) Drydock advance . . .		3,32,640	
	(c) Yard Development advance .		23,50,000	3,52,16,654
	CURRENT LIABILITIES & PROVISIONS:			
25,21,193	(*i*) Sundry Creditors		32,91,316	
11,97,158	(*ii*) Commission payable to Societe Anonyme des Ateliers et Chantiers de la Loire, Paris . .		12,16,832	
1,49,348	(*iii*) Trade Deposits		3,66,200	
1,99,349	(*iv*) Provision against obsolescence of materials .		5,30,164	54,04,512
	SECURITY DEPOSITS			
3,50,800	Per Contra			2,56,955
8,47,18,107	Carried over			8,61,53,121

PRIVATE LIMITED

31st March, 1957.

1955-56	ASSETS			1956-57
Rs.				Rs.
	FIXED ASSETS:			
2,66,41,308	Details as per Schedule I			2,84,53,514
	INVESTMENTS AT COST			
	QUOTED:			
36,764	4% Government of Madras Loan 1964 Face value Rs. 36,000/- (Market value: Rs. 35,550/-). (Previous year: Rs. 36,011) .		36,764	
	UNQUOTED			
16,000	(*i*) 3½% Ten Year Treasury Savings Certificates	16,325		
16,000	(*ii*) 12 Year National Savings Certificates	16,000	32,325	
	(Investments of the face value of Rs. 32,325/- have been deposited with Government departments.)			
1,193	Interest secured on Investments		1,948	71,037
	CURRENT ASSETS:			
2,11,83,728	(*i*) Materials in stock at cost including materials in transit (as per inventories certified by Managing Director) (Note : 2).		1,58,51,251	
2,22,82,198	(*ii*) Work-in-progress at cost (as certified by Managing Director) (Note : 3).		2,70,80,869	
6,06,829	(*iii*) Sundry Debtors . . . . . Unsecured —considered good		9,49,099	4,38,81,219
	LOANS AND ADVANCES :			
	(Unsecured and considered good unless otherwise specified).			
6,95,319	(*i*) Sundry Debtors over three months (Rs. 6,252/- considered doubtful) (Previous year Rs. 495/-)	2,33,026		
	Less: Provision against doubtful debts.	2,000	2,31,026	
1,18,69,807	(*ii*) Advances recoverable in cash or in kind or for value to be received (Rs. 11,338/- secured) (Previous year: Nil) (Note : 4)		1,14,11,149	
1,19,278	(*iii*) Deposits with Port Authorities Railways, etc. .		1,69,282	1,18,11,457
	CASH AND BANK BALANCES:			
9,193	(*i*) Cash on hand		6,383	
22,646	(*ii* C i current account with Banks . .		1,16,961	1,23,344
8,35,00,263	Carried over .			8,43,40,571

HINDUSTAN SHIPYARD
Balance Sheet as at

1955-56	LIABILITIES—concld.		1956-57
Rs.			Rs.
8,47,18,104	Brought forward . .		8,61,53,121
	CONTINGENT LIABILITIES :		
		Rs.	
	(*i*) In respect of subsidy received from Government of India returnable as per Article No. 161 (*i*) of the Articles of Association of the Company . .	1,98,11,494	
	Previous Year	1,38,84,429	
	(*ii*) For secured gratuities payable to employees in future under the Company's Rules — Amount unascertained		
8,47,18,104			8,61,53,121

VISAKHAPATNAM,
August 1, 1957.

As per annexed report,
N.M. RAIJI & CO.,
Chartered Accountants.

PRIVATE LIMITED
31st March, 1957—concld.

1955-56	ASSETS —concld.		1956-57
Rs.			Rs.
8,35,00,263	Brought forward .		8,43,40,571
	MISCELLANEOUS EXPENDITURE AND LOSSES :		
6,02,220	(1) Preliminary Expenses	6,02,220	
53,276	(2) Deferred Revenue Expenditure (Note 5) .	2,20,579	
2,11,545	(3) Profit and Loss Account	7,32,796	15,55,595
	SECURITY DEPOSIT INVESTMENTS		
3,50,800	Per Contra		2,56,955
8,47,18,104			8,61,53,121

N. R. Pillai . . . Chairman.
C. R. Reddy . . . Managing Director.
Daya Shankar . . .
S. D. Nargolwala . .
M. John . . . . Directors.
M. V. Krishna Rao . .
T. M. Goculdas . .
R. L. Gupta . . .
J.M. Charpentier . .

A. Seshagiri Rao,
Chief Accountant.

HINDUSTAN SHIPYARD

DR.

Profit and Loss Account for the

1955-56 Rs.		Rs.	1956-57 Rs.
2,14,52,849	Work-in-Progress on 1st April, 1956		2,22,82,198
1,46,09,793	Materials Consumed (Note 7)		1,84,12,489
58,12,399	Salaries, Wages and Benefits to Employees (Details as per Schedule II)		68,59,979
3,17,157	Electricity and Power		3,53,660
67,796	Rent		66,937
2,418	Rates and Taxes		2,741
	Repairs :		
15,994	Building	28,646	
61,562	Machinery	75,407	
27,904	Other	35,866	1,39,919
1,41,464	Insurance		1,31,528
	Miscellaneous Expenses :		
1,98,085	Factory and Office	2,60,213	
11,14,138	Ship Construction	8,90,945	11,51,158
	Commission and Expenses of Messrs. La Societe Anonyme des Ateliers et Chantiers de la Loire.		
8,48,008	Commission	10,50,056	
2,17,610	Salaries (Including Technical Director's Remuneration Rs. 48,000) Previous year Rs. 50,619	2,10,389	
56,647	Miscellaneous Expenses	6,820	12,67,265
10,029	Audit Fees and Expenses		10,629
11,798	Directors' Fees and Travelling Expenses		13,035
4,50,05,651	Carried over		5,06,91,546

PRIVATE LIMITED

year ended 31*st March*, 1957. CR.

1955-56				1956-57
Rs.		Rs.	Rs.	Rs.
	Complete Works			
	Ship Building			
1,69,00,000	Contract Price	1,88,50,000		
42,083	Increase as per Escalation Clause	35,143		
88,982	Increase for extra jobs carried out	2,20,968		
		1,91,06,111		
64,29,584	Estimated subsidy from Government of India (Note 9)	62,35,79		
		2,53,41,84		
4,00,672	Ship Repairs	9,444		
				2,53,51,284
2,22,82,198	Work-in-Progress on 31st March, 1957			2,70,80,869
98,856	Housing Estate Rent			1,02,203
	Interest			
25,974	On Bank Accounts	60		
1,261	On Investments (Net)	1,685		
				1,745
1,09,884	Miscellaneous Receipts			1,14,829
1,99,349	Credits on account of stock adjustments			30,814
78,111	Net Loss Carried down			3,69,081
4,66,56,954	Carried over			5,30,50,825

HINDUSTAN SHIPYARD

DR. *Profit and Loss Account for the*

1955-56		1956-57
Rs.		Rs.
4,50,05,651	Brought forward . .	5,06,91,546
2,96,415	Interest on Cash Credit Account	5,60,599
92,803	Loss on Assets discarded or sold	89,374
5,000	Loss on Investments	..
3,289	Bad Debts	434
..	Provision against Doubtful Debts	2,000
13,48,248	Depreciation	16,21,038
1,99,349	Provision against obsolescence of materials	3,30,814
4,69,50,755		5,32,95,805
2,93,801	*Less* : Expenditure included above transferred to Capital and other accounts	2,44,980
4,66,56,954		5,30,50,825
	Balance brought forward .	2,11,545
78,111	Net loss for the year	3,69,081
1,40,800	Amount of subsidy disallowed by the Chief Cost Accounts Officer, Government of India, in respect of completed works during 1955-56	1,52,170
2,18,911		7,32,796

VISAKHAPATNAM,
August 1, 1957.

As per annexed report
N. M. RAIJI & Co.,
Chartered Accountants.

PRIVATE LIMITED

year ended 31*st March*, 1957. CR.

1955-56		1956-57
Rs.		Rs.
4,66,56,954	Brought forward . .	5,30,50,825
4,66,56,954		5,30,50,825
7,366	Balance brought forward . . .	..
2,11,545	Balance carried to Balance Sheet . . .	7,32,796
2,18,911		7,32,796

A. SESHAGIRI RAO
Chief Accountant

N. R. PILLAI (*Chairman*)

C. R. REDDY (*Managing Director*)

DAYA SHANKAR
S. D. NARGOLWALA
M. JOHN
M. V. KRISHNA RAO
T. M. GOCULDAS
R. L. GUPTA
J. M. CHARPENTIERS.
} *Directors*.

HINDUSTAN SHIPYARD PRIVATE LIMITED : VISAKHAPATNAM-5

Schedule of Fixed Assets Forming Part of the Balance Sheet as at 31st March 1957

SCHEDULE-1

Assets	Cost upto 31st March 1956	Additions during the year	Deductions during the year	Gross block on 31-3-1957	Depreciation written off to date	Net Block on 31-3-1957	Net Block on 31-3-1956
(a) Slipways & Fitting out wharf	51,13,785	11,157	..	51,24,942	9,09,505	42,15,437	44,25,648
(b) Building	75,93,726	15,35,801	33,497	90,96,030	15,22,488	75,73,542	63,71,511
(c) Roads, Compound wall, Drainage etc.	14,99,061	73,578	1,69,258	14,03,381	2,71,875	11,31,506	12,72,604
(d) Railway Siding	67,717	..	..	67,717	20,912	46,805	50,328
(e) Plant and machinery	1,45,62,502	5,85,263	2,285	1,51,45,480	29,98,480	1,21,46,862	1,25,28,170
(f) Housing estate, Medical and other equipment	2,04,963	59,712	87	2,64,588	60,547	2,04,041	1,72,953
(g) Furniture & Fixtures	3,74,197	1,36,400	606	5,09,991	77,361	4,32,630	3,20,098
(h) Launches & Boats	9,204	..	136	9,068	4,103	5,055	5,772
(i) Motors cars, Lorries and vans	1,19,242	17,300	3,590	1,32,952	63,627	69,325	70,555
(j) Live Stock	304	334	220	436	52	384	222
	2,95,44,701	24,19,545	2,09,661	3,17,54,585	59,28,998	2,58,25,587	2,52,17,861
Add Capital works in progress	14,23,447	12,04,480	..	26,27,927	..	26,27,927	14,23,447
	3,09,68,148	36,24,025	2,09,661	3,43,82,512	59,28,998	2,28,53,514	2,66,41,308

SCHEDULE II

HINDUSTAN SHIPYARD PRIVATE LIMITED

Schedule of Salaries, Wages and other benefits to Employees forming part of the Profit and Loss Account.

1955-56 Rs.		1956-57 Rs.	Rs.
56,65,698	Salaries & Wages	65,98,280	
1,73,178	Less transferred to capital and other accounts	1,68,402	64,29,878
54,92,520			
50,812	Managing Directors Remuneration		50,564
2,42,256	Contribution to Provident and other funds		2,81,184
6,811	Workmen and staff welfare expenses		98,353
58,52,399			1,08,59,979

INDIAN TELEPHONE INDUSTRIES

Balance Sheet as

CAPITAL AND LIABILITIES

	1954-55 Rupees				1955-56 Rupees
		SHARE CAPITAL			
4,00,00,000		AUTHORISED : 4,00,000 Ordinary Shares of Rs. 100/- each .			4,00,00,000
4,00,00,000		SUBSCRIBED : 4,00,000 Ordinary shares of Rs. 100/- each called and paid up. Of the above Shares, 66,254 Shares are allotted as fully paid pursuant to a contract without payments being received in cash.			4,00,00,000
		RESERVES & SURPLUS			
103		CAPITAL RESERVE : As per Last Balance Sheet . . .		103	
		Less Adjustment . .		103	...
16,00,000		GENERAL RESERVE : As per last Balance Sheet		16,00,000	
		Add Provision this year		8,00,000	24,00,000
11,50,000		REPLACEMENT AND RENEWAL RESERVE :			11,50,000
		SURPLUS :			
	2,36,833	Profit as per last Balance Sheet . . .		3,20,365	
	15,53,532	*Add* Profit during the year (before appropriation)		25,96,094	
	17,90,365			29,16,459	
	7,50,000	*Less* Transfer to General Reserve . . .	8,00,000		
	4,20,000	Provision for selling Price variation .	...		
	3,00,000	Provision for Income Tax . . .	10,15,000		
	...	Provision for Amenities	50,000		
	...	Dividend proposed at 2½ % . . .	10,00,000		
3,20,365	14,70,000			28,65,000	51,459
		LOANS			
51,98,279		SECURED LOANS : Loans and Advances from Banks—State Bank of India, Bangalore, against hypothecation of Stores .			...
51,84,200		UNSECURED LOANS : (Government of India)			51,84,200
5,34,52,947		Carried Forward			4,87,85,659

PRIVATE LIMITED

at 31*st March* 1956.

PROPERTY AND ASSETS

1954-55 Rupees			1955-56 Rupees	
		FIXED ASSETS		
1,56,88,429		(As per schedule annexed)		1,64,96,032
		PATENT RIGHTS PAID TO A.T.E.		
	7,65,034	As per last Balance Sheet (written down value)	5,73,776	
5,73,776	1,91,258	*Less* : Amount written off during the year	1,91,259	3,82,517
		LIBRARY :		
5,027		As per last Balance Sheet .	5,027	
		Less : Amount written off . .	5,027	...
		CURRENT ASSETS		
		STORES AT COST : (Raw Materials, Components and Sub-assemblies)		
	1,52,28,961	(As certified by the Managing Director)	1,33,38,209	
1,51,42,298	86,663	*Less* : Reserve for Stock and Stores deterioration	86,663	1,32,51,546
		STOCK-IN-TRADE AT COST: .		
27,19,115		(As certified by the Managing Director)		34,19,607
		WORK-IN-PROGRESS AT COST :		
42,89,093	...	(As certified by the Managing Director)		35,71,330
3,16,623	...	MATERIALS-IN-TRANSIT : . .		16,51,667
3,87,34,361		Carried Forward .		3,87,72,699

INDIAN TELEPHONE INDUSTRIES PRIVATE

Balance Sheet as

CAPITAL AND LIABILITIES—*contd.*

1954-55 Rupees				1955-56 Rupees	
5,34,52,947		Brought Forward .			4,87,85,659
		CURRENT LIABILITIES & PROVISIONS			
		CURRENT LIABILITIES :			
	63,96,319	Sundry Creditors .		25,92,075	
	42,71,673	Customs Duty .	49,18,106		
		Less Deposit towards Customs Duty .	15,86,909	33,31,197	
	31,84,184	Customers . .		17,00,045	
	1,10,105	Deposits . . .		2,28,561	
	9,36,954	Expenses . . .		8,77,205	
1.54,17,568	5,18,333	Other Finance . .		4,66,638	91,95,721
		PROVISIONS :			
		Provision for Amenities			50,000
		Provision for Dividend			10,00,000
		Provision for Selling Price Variation .			
	6,90,530	As per last Balance Sheet . . .		17,92,642	
17,92,642	11,02,112	*Add* : Transfer out of sales . .		24,95,774	
				42,88,416	
		Less : Adjustments .		8,74,607	34,13,809
		PROVISION FOR CLAIMS :			
	3,22,110	As per last Balance Sheet . . .		3,19,429	
3,19,429	2,681	*Less* : Adjustments .		136	3,19,293
		PROVISION FOR INCOME-TAX			
	7,00,000	As per last Balance Sheet . . .		10,00,000	
10,00,000	3,00,000	*Add* : Provision this year . . .		10,15,000	20,15,000
7,19,82,586		Carried Forward . .		..	6,47,79,482

LIMITED

at 31st March 1955

PROPERTY AND ASSETS—*contd.*

1954—55 Rupees				1955—56 Rupees
3,87,34,361		Brought Forward .		3,87,72,699
	3,04,96,334	SUNDRY DEBTORS :	2,29,42,307	
2,98,63,375	6,32,959	*Less* : Reserve for Sales Rejections, Disputes Losses etc., after adjustment of Rs. 5,13,992 during the year	1,18,967	2,28,23,340
		LOANS AND ADVANCES		
	25,46,685	Purchases	12,00,035	
	18,587	Advances Recoverable . . .	57,366	
	1,25,613	Deposits	2,51,553	
	26,794	Prepaid Expenses . . .	27,949	
30,12,834	2,95,155	Claims and Suspense Accounts .	4,65,525	20,02,428
7,16,10570		Carried Forward .		6,35,98,467

TO THE NEAREST RUPEES.

INDIAN TELEPHONE INDUSTRIES PRIVATE

Balance Sheet as

CAPITAL AND LIABILITIES—*contd.*

1954-55 Rupees			1955-56 Rupees	
7,19,82,586		Brought Forward .		6,47,79,482
		PROVISION FOR CONTINGENCIES		
7,126	9,020	As per last Balance Sheet . .	7,126	
	1,894	*Less* : Adjustments . . .	..	
		Add : Adjustments on account of unclaimed Credits . .	15,149	22,275
		CONTINGENT LIABILITY		
		There is Contingent Liability in respect of :— (1) Sales Tax that may become payable to different State Governments ; (2) Enhanced Claim against lands acquired for the Factory —Rs. 2,50,000. (3) Enhancement of rent of premises formerly occupied by the Calcutta Branch Office which is under dispute Rs. 3,650 (4) Claim by P. & T. Department in respect of general sales out of imports billed at the conversion rate of one shilling=one Rupee instead of at the exchange rate plus margin up-to 31st March 1954. (Against this, there is a claim by the Company on account of under-absorbed overheads).		
7,19,89,712		TOTAL . .		6,48,01,757

AUDITORS' REPORT

We have audited the annexed Balance Sheet of INDIAN TELEPHONE INDUSTRIES; PRIVATE LIMITED as at 31st March 1956, and the annexed Manufacturing, Trading and Profit and Loss Accounts for the year ended 31st March 1956, with the books at Accounts Vouchers and other documents maintained by the company and beg to report that :—

(1) We have obtained all the information and explanations that we required;

(2) The annexed Balance Sheet, Manufacturing, Trading and Profit and Loss Accounts are drawn up in conformity with the Law ;

(3) The annexed Balance Sheet, Manufacturing, Trading and Profit and Loss Accounts exhibit a true and fair state of affairs of the Company according to the best of information and explanations given to us and as shown by the Books of Accounts, Vouchers and other documents of the Company; and

(4) The Books of Accounts are maintained correctly by the Company as required by Section 130 of the Indian Companies' Act, 1913.

DURAVANINAGAR,

BANGALORE, 6th JULY 1956 S. B. DANDEKER & Co, *Chartered Accountants.*

LIMITED

at 31st *March* 1956

PROPERTY AND ASSETS—*contd.*

1954-55 Rs.	1954-55 Rs.		1955-56 Rs.	1955-56 Rs.
7,16,10,570		Brought Forward . .		6,35,98,467
		Cash and Bank Balances :		
	1,40,226	Cash in hand including cheques .	9,672	
	3,788	Cash in Transit	1,628	
	71,670	With Banks on Current Account .	11,61,455	
	1,699	Cheques sent for collection . .	27,997	
	4,251	Imprest	2,426	
2,21,768	134	Stamps	112	12,03,290
		Miscellaneous Expenditure and Losses to the extent not written off :		
1,57,374		Deferred Development Expenditure	..	..
7,19,89,712		TOTAL . . .		6,48,01,757

TO THE NEAREST RUPEE.

S. SIVARAMAKRISHNAN,
Financial Adviser.

JAGDEESH PRASAD,
Managing Director.

B. R. BATRA . . .
V. N. CHANDAVARKAR
A. J. MANTLE . .
R. NARAYANASWAMI .
K. NARAYANASWAMY .
P.A. NARIELWALA .
} *Directors.*

INDIAN TELEPHONE INDUSTRIES

Manufacturing, Trading and Profit and Loss

1954-55 Rupees.		1955-56 Rupees
29,08,725	Work-in-Progress	42,89,093
2,52,32,588	Direct Materials. (Raw materials, Components and sub-assemblies)	2,69,33,891
7,62,642	Direct Wages	10,09,345
48,93,907	Applied Overheads (On percentage basis)	56,92,112
45,134	Chargeable Expenses	96,060
3,38,42,996	TOTAL	3,80,20,501
22,81,250	Opening Stock (1-4-1955)	27,19,115
2,72,45,437	Receipts from Manufacture and Cost of other Goods for Sale	2,30,41,242
48,794	Installation and Maintenance Charges	2,19,099
7,55,140	Selling Expenses	9,53,904
27,47,284	Gross Profit carried forward to Profit & Loss Account	25,99,570
3,30,77,905	TOTAL	2,95,32,930

TO THE NEAREST RUPEE.

PRIVATE LIMITED.

Account for the year ended 31st March, 1956

1954-55 Rupees		1955-56 Rupees
	COST OF MANUFACTURED GOODS TRANSFERRED TO :	
9,85,488	Capital Works	9,25,340
1,48,12,759	Stores (Components and Sub-Assemblies)	2,08,38,262
1,36,12,300	Stock-in-Trade	1,24,35,621
1,43,356	Services and other Accounts	2,49,948
2,95,53,903		3,44,49,171
42,89,093	Work-in-Progress—(Carried forward to Balance Sheet)	35,71,330
3,38,42,996	TOTAL	3,80,20,501
3,02,45,906	Sales	2,58,92,206
1,12,884	Recovery on installation and Services	2,21,117
27,19,115	Closing Stock (31-3-1956)	34,19,607
3,30,77,905	TOTAL	2,95,32,930

TO THE NEAREST RUPEE.

INDIAN TELEPHONE INDUSTRIES

Manufacturing, Trading and Profit and Loss

1954-55 Rs.			1955-56 Rs.
	OVERHEAD EXPENSES :		
23,47,765	Salaries and Wages (includes Rs. 25,208 Remuneration of Managing Director)		27,36,183
1,89,897	Contribution to Provident and other Funds		1,65,516
1,39,937	Workmen and Staff Welfare Expenses		1,95,205
97,774	Power and Fuel		1,29,761
2,64,681	Consumption of Stores and Spare Parts		3,77,743
4,08,693	Repairs to Machinery		7,85,143
46,983	Repairs to Buildings		60,541
45,953	Insurance		46,419
	MISCELLANEOUS EXPENSES :		
	Consideration paid to A.T.E. written off	1,91,259	
	Royalty	29,810	
	Interest	2,30,571	
	Discount & Commission	4,563	
	Experimental Work	4,960	
9,14,547	Other Expenses (includes Rs. 1,150 Remuneration of Directors)	13,39,578	18,00,741
21,82,389	Depreciation		19,72,741
66,38,619			82,69,993
1,85,414	Depreciation on Idle Machinery		1,31,639
68,24,033			84,01,632
58,73,789	*Less* Expenses absorbed and allocated		83,25,263
9,50,244	Underabsorbed overheads		76,369
6,661	Losses in transit, evaporation etc.		22,213
1,91,258	Consideration paid to A.T.E. Written Off		
44,659	Interest		
1,194	Discount and Commission		
23,119	Experimental Work		
61,575	Establishment Charges on Projects		
15,53,532	Net Profit carried forward to Balance Sheet		25,96,094
28,32,242		TOTAL	26,94,676

TO THE NEAREST RUPEE.

PRIVATE LIMITED

Account for the year ended 31st March, 1956

1954-55 Rs.		1955-56 Rs.
	Gross Profit brought forward from	
27,47,284	Trading Account	25,99,570
84,958	Miscellaneous Receipts	95,106
28,32,242	TOTAL . .	26,94,676

To the nearest rupee.

Sr. SIVARAMAKRISHNAN, *Financial Adviser.*

JAGDEESH PRASAD, *Managing Director.*

B. R. BATRA
V. N. CHANDAVARKAR
A. J. MANTLE
R. NARAYANASWAMI
K. NARAYANASWAMY
P.A. NARIELWALA
} *Directors.*

INDIAN TELEPHONE INDUSTRIES PRIVATE LIMITED

Schedule attached to and Forming part of the Balance Sheet as at 31st March, 1956

CAPITAL EXPENDITURE AS AT 31st MARCH, 1956

ASSETS	As per last Balance Sheet at cost	Additions during the year	Total cost at 31st March 1956	Depreciation charged upto 31-3-1955 (net.)	Depreciation charged during 1955-56	Total depreciation charged upto 31-3-1956	Book value at the end of the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	3,81,915	11,871	3,93,786	..	..	..	3,93,786
Buildings	44,44,681	6,87,145	51,31,826	3,90,299	66,721	4,57,020	46,74,806
I.T.I. Township	4,15,049	7,44,860	11,59,909	1,929	7,240	9,169	11,50,740
Plant, Machinery & Equipment . . .	87,69,839	7,80,726	95,50,565	30,01,223	7,65,187	37,66,410	57,84,155
Furniture, Fixtures, Fittings and Equipment .	17,14,710	1,20,566	18,35,276	4,20,566	1,90,403	6,10,969	12,24,307

Vehicles	3,08,054	7,111	3,55,168	1,54,102	1,09,727	2,63,829	91,339
Tools and Gauges	59,83,853	4,46,149	64,30,002	22,88,001	9,65,102	32,53,103	31,76,899
TOTAL .	2,20,18,101	28,38,431	2,48,56,532	62,56,120	21,04,380	83,60,500	1,64,96,032

INDIAN RARE EARTHS (PRIVATE)

Balance Sheet as at 31st

31-3-1956	Liabilities		
Rs.	*Share Capital*:	Rs.	Rs.
1,00,00,000	Authorised: 10,000 Ordinary Shares of Rs. 1,000/- each . . .	1,00,00,000	
80,00,000	Subscribed: 8,000 Ordinary Shares of Rs. 1,000 each fully paid in cash . .		80,00,000
..	Amount received in advance from Government of India for share application . . .		20,00,000
	Loans:		
	Secured:		
38,00,000	From Government of India against the hypothecation of raw materials, stock-in-trade and all moveable assets including book debts, stores, spare-parts and cash present and future		38,00,000
	Unsecured:		
20,65,000	Advance from Government of India against specific works	69,92,800	
9,84,697	Less expenditure to date	66,39,085	3,53,715
10,80,303			
	Current Liabilities & Provisions:		
3,15,408	Sundry Creditors	2,44,362	
2,27,073	Due to S.T.R. (Subject to Adjustment) . .	..	
1,13,057	Interest accrued on Secured Loans . .	68,056	
9,67,502	Government of India (Trading Account France)	6,04,631	9,17,049
16,23,040			
	Security Deposits (per contra)		
..	From Distributors	5,000	
2,000	From Staff	2,000	7,000
1,45,05,343			1,50,77,764

As per our report annexed.

BOMBAY: 14TH OCTOBER, 1957.

N. M. RAIJI & CO.
Chartered Accountants.

PRIVATE) LIMITED

March, 1957

31-3-1956	Assets	Rs.	Rs.
	Fixed Assets:		
58,60,861	(At cost less depreciation as per Schedule "A")		56,65,006
	Current Assets:		
6,83,484	Stores and spare parts (at cost)	6,41,623	
61,682	Tools and Drums (as per revaluation)	43,232	
64,260	Raw Materials (at cost)	49,348	
41,90,636	Stock-in-Trade (at cost or market rate whichever is lower.)	30,87,888	
2,40,911	Work-in-Progress (at cost)	2,55,725	
	As per certified inventories	40,77,816	
2,35,680	Sundry Debtors (Unsecured Considered good).	3,15,458	43,93,274
	Loans and Advances:		
	(Unsecured : Considered good)		
2,208	Sundry debtors outstanding for more than three months	33,221	
78,819	Advance to be recoverable in cash or in kind or for value to be received	1,00,152	
32,242	Balance with Customs etc.	29,047	
1,10,344	Government of India (Bombay Factory Account)	1,19,377	
..	Due by S.T.R. (subject to adjustment)	1,70,617	4,52,414
	Cash and Bank Balances:		
22,00,000	Call Deposits with Banks	30,00,000	
4,39,947	Cash in Current Account with Banks	3,33,614	
26,520	Cash in hand	8,313	
5,390	Interest accrued on Bank Deposits	10,443	33,52,370
	Miscellaneous Expenditure and Losses to the Extent not written off.		
	Profit and Loss Account:		
3,32,287	Balance as per last Balance Sheet.	2,70,259	
(Credit) 6,02,546	*Add*: Loss during the year	9,37,441	12,07,700
2,70,259			
	Security Deposits Investments (per contra)		
..	3% Conversion loan 1946 (at Face Value)	5,000	
2,000	Fixed deposit with Bank, (against Staff Security deposit.)	2,000	7,000
1,45,05,343			1,50,77,764

G. RAJAGOPAL MENON, *Secretary.*

J. D. CHOKSI, N. E. S. RAGHAVACHARI } *Directors.*

INDIAN RARE EARTHS

Schedule of fixed Assets as at 31st March,

Schedule A

Description of Assets	Cost upto 31-3-1956	Additions
	Rs.	Rs.
Buildings & Superstructure.	36,66,152	1,09,066
Plant & Machinery	43,67,392	*1,45,594
Electric Installation	2,97,831	3,797
Motor Vehicles	1,83,586	15,005
Cycles	2,586	972
Furniture & Office Equipment	1,91,879	17,760
Air-Conditioning Plant	1,27,577	38,001
	88,37,003	3,30,195

* This includes transfer of Rs. 92,998 from Buildings & Superstructure Account.

** This amount represents transfer to Plant & Machinery Account.

BOMBAY,
14th October 1957.

(PRIVATE) LIMITED

1957 *forming Part of the Balance Sheet.*

Deductions	Gross Block at cost	Depreciation written off upto 31-3-57	Net Block on 31-3-57	Net Block on 31-3-56
Rs.	Rs.	Rs.	Rs.	Rs.
92,998**	36,82,220	6,13,181	30,69,039	31,61,226
85	45,12,901	24,76,061	20,36,840	21,14,136
..	3,01,628	98,118	2,03,510	2,19,645
92,514	1,06,077	56,346	49,731	85,835
1,585	1,973	841	1,132	847
..	2,09,639	55,285	1,54,354	1,51,595
..	1,65,578	15,178	1,50,400	1,27,577
1,87,182	89,80,016	33,15,010	56,65,006	58,60,861

INDIAN RARE EARTHS

Profit and Loss Accounts for the year

1-3-1956 Rs.		Rs.	Rs.
2,71,104	Work-in-Progress on 1-4-1956	2,40,911	
37,28,342	Stock-in-Trade on 1-4-1956	41,90,636	44,31,547
	Raw Materials Consumed		
18,907	Stock on 1-4-1956	64,260	
9,00,093	Purchases.	9,96,425	
9,19,000		10,60,685	
64,260	*Loss* Stock on 31-3-1957	49,348	10,11,337
8,54,740			3,63,480
3,42,248	Stores and Spare Parts Consumed		49,099
47,937	Power and Fuel		
5,88,043	Salaries and Wages	6,82,408	
	Contribution to Provident and State		
36,925	Insurance Fund.	42,467	
39,288	Workmen and Staff Welfare Expenses	36,084	7,60,959
27,188	Rent		29,325
51	Rates and Taxes		77
7,160	Repairs to Buildings		21,216
52,894	Insurance		61,846
4,03,030	Depreciation.		3,90,966
15,420	Loss on revaluation of Tools and Drums		19,823
	Motor Vehicles Running Expenses and—		
24,479	Conveyance of Personnel		36,509
62,677	Handling and Forwarding.		1,74,992
5,200	Audit Fees and Expenses.		6,742
4,098	Directors Fees and Travelling Expenses		4,681
1,797	Bank Charges, Discounting of Bills etc.		13,208
47,584	Miscellaneous Expenses		64,726
	Deduct: Expenditure allocated to Capital		74,40,533
—1,74,795	Stores handling, Drums and Workshop Jobs.	2,37,182	
	Recoupment of Overhead charges from Govt.		
..	Bombay Factory.	1,80,074	4,17,256
			70,23,277
705	Stores Write off.		17,228
	Commission on Sales:		
24,014	S.T.R.	15,716	
32,542	Distributors	37,579	53,295
1,71,000	Intere o n Loans.	1,71,000	
	Less: Debited to Government of India		
—36,000	Trading Account France	—36,000	1,35,000
1,35,000	Extraneous and Non-Recurring Items:		
..	Pay and Compensation	2,290	
..	Loss on sale of fixed assets	607	
	Compensation paid to Travancore :		
..	Minerals Concerns	6,527	
..	Sports expenses for past period	3,507	
39,218	Contribution for Bridge Construction	..	
	Compensation for non off-take of contracted		
68,663	quantity of chemicals.	..	
50,264	Interest on Government Loans for past period	..	
2,928	Legal Charges for past period.	..	12,931
67,38,744	TOTAL Rs.		72,41,731

As per our report annexed.

BOMBAY,
14th October, 1957.

N.M.R AIJI & CO.
CHARTERED ACCOUNTANTS.

LIMITED

31st March, 1957

31-3-1956 Rs.		Rs.	Rs.
	Sales :		
3,66,802	Trisodium Phosphate.	5,07,261	
6,37,742	Rare Earths Chlorides etc. . . .	9,13,586	
61,678	Caustic lye	71,437	14,92,284
2,40,910	Work-in-Progress on 31-3-1957 . . .	2,55,725	
1,90,636	Stock-in-Trade on 31-3-1957 . . .	30,87,888	33,43,613
3,16,591	Recovery for Raw Materials produced for Government Bombay Factory. . . .	10,71,708	
1,33,333	Management Fees. (Bombay Factory) . .	1,82,844	
	Agency Charges. (Government of India Works).	64,000	
39,454	Agency Charges : (Bombay Factory Construction)	30,505	
69,919	Agency Charges. (Government of India France Trading)	..	13,49,057
35,507	Interest on Bank Deposits . . .		54,714
7,611	Rent		8,020
6,685	Miscellaneous Receipts		10,204
	Extraneous and Non-Recurring Items :		
29,330	Provision for Taxation no longer required .	..	
..	Excess in Stores	20,790	
..	Profit on sale of Fixed Assets. . . .	5,951	
	Refund from Government on account of contribution for Bridge Construction .	7,718	
..	Refund from S.T.R.	11,939	46,398
6,02,546	*Loss* during the year		9,37,441
67,38,744		TOTAL Rs.	72,41,73

NOTE: Building and Machinery repairs carried out departmentally are not reflected in the Profit and Loss Account.

G. RAJAGOPAL MENON,
Secretary.

J. D. CHOKSI,
N. E. S. RAGHAVACHARI } Directors.

GMGIPND—DME—202 M. of Fin.—4-6-59—225.

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